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Transcriber's Office

Health and Human Services Committee
January 30, 2015

[LB19 LB148 CONFIRMATION]

The Committee on Health and Human Services met at 1:30 p.m. on Friday, January 30, 2015, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB19, LB148, and gubernatorial appointments. Senators present: Kathy Campbell, Chairperson; Sara Howard, Vice Chairperson; Roy Baker; Tanya Cook; Sue Crawford; Mark Kolterman; and Merv Riepe. Senators absent: None.

SENATOR CAMPBELL: Good afternoon, and welcome to the hearings for the Health and Human Services Committee. I'm Kathy Campbell and I serve as the senator from District 25 in Lincoln. We are so pleased to see a number of you here for our hearings. We'll go through some of the procedures that we use in the Health Committee. The first warning we give you is to turn off your cell phone or your iPad sound. You don't have to turn it completely off but it should not make any sound, okay? If you are testifying today, please know that we would like 15 copies of your testimony. If you do not have it, we will work with you after the hearing to make sure that we've got that number. And if you are testifying on the bills or on the appointments, please know that you need to complete one of the orange sheets on either side of the room so that we can very accurately for the record have your spelling. And when you come forward, you can just give the form to the clerk on my far left, Brennen Miller. And you can give Brennen your handouts if you want to distribute them, and the pages will give them to the senators. In the Health and Human Services Committee, we use the light system. And you will have five minutes total: four on green and it will seem like it lasts a really long time, and then it will go to yellow and you have one minute, and it will go to red and I'll be trying to get your attention at the end of the five. I would say, for our two nominees, you are not held to five minutes, okay? The second part of this is, when you come forward to testify, and this does apply to our two nominees today, we would ask that you state your name for the record and spell it so the transcribers who listen to the tapes can clearly have the correct spelling of your name. With that, we'll start with introductions. So I'll start to my far right, Senator.

SENATOR KOLTERMAN: Senator Mark Kolterman from the 24th District which encompasses Seward, York, and Polk Counties.

SENATOR BAKER: Senator Roy Baker, District 30, Gage County, part of southern Lancaster County.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford, District 45, which is eastern Sarpy County, Bellevue, and Offutt.

SENATOR HOWARD: I'm Senator Sara Howard. I represent District 9 in midtown Omaha.

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JOSELYN LUEDTKE: Joselyn Luedtke, committee counsel.

SENATOR COOK: Senator Tanya Cook. I represent District 13 in northeast Omaha and Douglas County.

SENATOR RIEPE: And I'm Senator Merv Riepe. I'm from District 12 which is Omaha, Millard, and Ralston.

BRENNEN MILLER: I'm Brennen Miller. I'm committee clerk.

SENATOR CAMPBELL: Our pages today are Brook...Brook is from Omaha and is studying at UNL and majoring in advertising, public relations, and political science. And substituting today is Caitlin. Caitlin is helping out because our other page is ill today. Caitlin is from Omaha and attends Wesleyan here in Lincoln and is a poli-sci and global studies. So thank you, Caitlin and Brook, for helping us out today. So if you need some help along the way in the hearing or you have questions, the pages will be glad to help you. And with that, we will proceed to our first nominee. Director Hilgert is the Governor's appointment for the Division of Veterans' Homes, Department of Health and Human Services. So, Director Hilgert, pleased to have you here...never know whether it's Director Hilgert or Senator Hilgert. (Laughter) So we're pleased to have you and I know that you prepared remarks so I'll let you go ahead and start.

JOHN HILGERT: (Exhibits 1, 2) Thank you, Senator Campbell. Members of the Health and Human Services Committee, I am John Hilgert, J-o-h-n H-i-l-g-e-r-t. And I began as director of the Division of Veterans' Homes for the Department of Health and Human Services on July 1, 2007. I'm honored that Governor Ricketts has reappointed me to this position. Let me first start by sharing a little information about myself, my education, my military service, and my work background. I graduated with a bachelor's degree in business administration from the University of Nebraska-Lincoln and earned my law degree from Creighton University School of Law. My schooling continued but in a different way when I joined the United States Army. From 1989 to 1992, I was Captain in the Army and part of the Judge Advocate General's Corps. The Judge Advocate General's Corps is composed of Army officers who are also lawyers and who provide legal services to the Army at all levels of command. In 1990 and '91, I served in Operation Desert Storm and Operation Desert Shield with the First Infantry Division. My education and military experience led me to pursue some exciting opportunities in public service. I was appointed to the Nebraska Legislature in 1995 to represent Omaha in District 7. I served two terms as state senator and resigned my position in 2001 to accept an appointment as the director of the Nebraska Department of Veterans Affairs. It is a responsibility that I continue to hold until this day. I consider serving in both capacities to be an advantage giving me a broader perspective to serve our nation's heroes. I also worked for ten years at Catholic Charities for the Archdiocese

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of Omaha in various capacities lastly as senior director, specifically as vice president for institutional advancement. On a personal note. I've lived in Omaha my entire life except when I was serving in the Army. My wife, Cara, and I met in Omaha. We've been married since 1995. We have two children, Jack and Caroline, and we enjoy being involved in their many activities. The four veterans homes located in Bellevue, Norfolk, Grand Island, and Scottsbluff focus on wellness and allowing people to live their lives to the fullest extent possible. Our employees strive to serve the unique needs of each member by providing high-quality services and long-term care in a community setting. We've been able to look at best practices from the four homes and we do what works systemwide. Our focus on quality has been recognized by the United States Department of Veterans Affairs through their annual healthcare system surveys. All four homes have received deficiency-free survey scores the last two years which is an outstanding achievement and demonstrates the dedication of our employees, the quality of care that they provide. Shortly after I became division director, we successfully opened the new Eastern Nebraska Veterans Home in Bellevue, and as you know, we are now in the process of building a new facility in Kearney. Our project was approved and the Legislature budgeted state funds in 2013. Preliminary design work is complete and we were notified in December of federal funding in this round. It's an exciting process and I look forward to the eventual opening of the Central Nebraska Veterans Home. Nebraska has a proud tradition of taking care of Veterans. Those of us in the Nebraska Department of Health and Human Services Division of Veterans' Homes recognize that serving those who served our country is important and an honor and the right thing to do. I'd be happy to answer any questions that you or the committee might have. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Director Hilgert. Questions? Senator Riepe.
[CONFIRMATION]

SENATOR RIEPE: Senator Campbell, thank you. I can...is it fair to assume that you're a fan of John F. Kennedy when you have children that are Jack and Caroline? (Laughter)
[CONFIRMATION]

JOHN HILGERT: My son's middle name is Linden. (Laugh) I must say, that's my wife's maiden name. But, yes, sir, I...we're somewhat of fans, but we didn't want to do a John, Jr., so...but thank you for that observation. It's an honor. [CONFIRMATION]

SENATOR CAMPBELL: Senator Cook. [CONFIRMATION]

SENATOR COOK: Thank you, Madam Chair, and thank you, Director Hilgert. I have a question and... [CONFIRMATION]

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JOHN HILGERT: Yes. Yes. [CONFIRMATION]

SENATOR COOK: ...about the wait list...current wait list particularly, of course, for the one that is nearest to Omaha and if you want to expound upon that and what the agency has...is doing about the wait list for veterans to enter the homes. [CONFIRMATION]

JOHN HILGERT: You are correct, Senator. And let me first establish, maybe, a little bit of framework. The Nebraska Veterans' Homes system is not Medicare/Medicaid certified, so we are not under the normal regulatory obligations that those facilities in the private and semiprivate sector would be under, meaning that you have to respond within, I think, four days for an admission. Thus, we have a waiting list. In fact, in the last, I think, two years, we have had more of a waiting list than we have a census for the first time. I think it's a testament to our quality, obviously. I think...in fact, I had some conversations with some people at my mother's nursing home where she resides at. And sometimes I just say, well, have you ever considered these Nebraska Veterans' Homes...kind of cringe and you...because, you know, you're getting some free input. And they say, oh boy, that's a great place but there's a waiting list. We have...we manage it. It is probably...we do have a list. We manage it by first application is first to apply for...accepted. But we also...there's a little bit of art to it because we have different skill levels. And then we also do not put veterans in the same room of different sexes unless they're married. And so, for example, if you have...because in Eastern--and I'll go for Eastern--we have semiprivate rooms. If you have a female veteran in a room, it's...we don't feel...it's our policy, our guideline, not to put a male there unless they're spouse. So we would have an opening for a female veteran. That female veteran may be way down on the "list" as far as chronology, but she's on the first of the list if there's a female veteran's bed open. So she might be accessed way down the list. So there's a little bit of a...we're not to the point and we're a little bit more agile. We don't just say, well, the next person...until that next person is served, we're not going to serve the person after that. We want to keep the home as full as possible. And so we do manage it in that way. You also have different skill levels. There may be more of a list for skilled than domiciliary. There may be a shorter list for the Alzheimer's services that we provide. That being said, many of the people that have applied are in their homes. Some of them are in other facilities. And we are not the type of response program that usually accepts admission directly from the acute care center. So in other words, if you would have an event, a life-changing event, you're in acute hospital. You meet with a social worker. The social worker gives you a list of nursing homes in Omaha. And we usually don't admit from that, because there is that waiting list. The waiting list has existed at all four homes as long as I've been here, sometimes longer, sometimes shorter. And we have no plans to expand any of our facilities but continue to do the job that we have. We don't feel that there's a lot of crisis of people waiting to try to get in. You know, it's...they have alternatives. And our staff does help them too. For example, if they're way down on the list and they need help now, you know, we're certainly willing to say, hey, we have a

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very vibrant social work department especially at Eastern, one of our best. He helps train the other homes for alternatives and so forth. [CONFIRMATION]

SENATOR COOK: Okay. Thank you. [CONFIRMATION]

JOHN HILGERT: Thank you, Senator. [CONFIRMATION]

SENATOR COOK: I feel a little bit rude to ask you a question and then leave, but I have another hearing. (Laughter) [CONFIRMATION]

JOHN HILGERT: No, don't. Thank you. Thank you, Senator. Good to see you again. [CONFIRMATION]

SENATOR COOK: Thank you. Thank you, Director Hilgert. [CONFIRMATION]

SENATOR CAMPBELL: Senator Cook has a hearing in Judiciary. Senator Howard, did you have a question? I'm a little working my way around. [CONFIRMATION]

SENATOR HOWARD: Oh, I do have a question. You've been in this position for a long time. [CONFIRMATION]

JOHN HILGERT: Yes. [CONFIRMATION]

SENATOR HOWARD: And what would you say would be your biggest accomplishment? What are you most proud of having worked in this position for a while? [CONFIRMATION]

JOHN HILGERT: Oh, that's easy. That's the quality of service. And my accomplishment is really not even mine. It's the employees'. When we talk about deficiency-free, it's not Director Hilgert in Lincoln made some wonderful guideline that somehow changed the world. It's our newest, lowest-paid employee that's on the same sheet of music. When you go into a veterans' home and you have pleasant odors, it's because of our housekeepers, some of the lowest-paid folks, the state employees that we have. We're all responsible providing that quality service. And when that VA survey comes in and when that team comes in of professionals from outside of our system and sometimes outside of our state, and they go through our records, they see med passes, they see meals, and they come back to say, you know what, we don't see a deficiency here, that's a testament to our employees. And that would be the best accomplishment. And we've assembled a good leadership team. I hired a wonderful systems clinician, Pat Moeller. I'm going to do a

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shout-out to her. She just does a wonderful...our mock surveys...are experienced administrators that have experience administrating a veterans' home or a long-term care facility...that the professionalization of this leadership, I think, has really done the trick. But easily, the quality of service is the best accomplishment. [CONFIRMATION]

SENATOR HOWARD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Thank you, Chair Campbell. And thank you for your work. [CONFIRMATION]

JOHN HILGERT: You're welcome. [CONFIRMATION]

SENATOR CRAWFORD: I want to especially thank you for your work on the Eastern Nebraska Veterans Home. It's a beautiful facility. [CONFIRMATION]

JOHN HILGERT: Thank you. [CONFIRMATION]

SENATOR CRAWFORD: And I see when I go there for ceremonies on Veterans Day the respect with which the staff and volunteers treat the people there. It's very nice. So I guess I want to follow up on the waiting list question. I wonder why it's not considered a crisis if the waiting list is longer than the census. That seems to me a sign of a possible crisis and need. I understand the issue, you know, how you're managing the list, but I...and I wondered...the second part of that question is, what would be the point at which you would say we definitely need to expand our capacity? [CONFIRMATION]

JOHN HILGERT: If there were no...if there was a lack of alternatives, even if those alternatives, frankly, in my opinion, are less attractive than a Nebraska veterans home...if those didn't exist, I would probably share with the characterization of the word crisis. Because there are still community alternatives, that's why I refrain from using that word, Senator. I would say the demand is great. And the better we do, and the better our employees do, the greater the demand there's going to be, because we do a fine job. [CONFIRMATION]

SENATOR CRAWFORD: Can you tell us for the record what those alternatives are? So where would you direct someone? [CONFIRMATION]

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JOHN HILGERT: It would be dependent on where they're from. I mean, I could give you a whole list of nursing homes in Omaha and Bellevue and so forth, other community settings. Sometimes there's home health alternatives if your acuity is so low and you're barely needing a domiciliary or assisted living of care. But we don't refer to a specific business or anything like that. We give them the full gamut and assist where we can. Certainly the areas of aging have a lot of information about long-term care facilities. [CONFIRMATION]

SENATOR CRAWFORD: And what's the...your role then when someone is placed in another alternative placement? [CONFIRMATION]

JOHN HILGERT: We maintain the veterans home list. We maintain that their medical report is kept somewhat up to date. We don't badger them and say, you've got to go to the doctor every month, and so forth. But we respond frequently to calls from the family and to the veterans or members, applicants. And we keep going and we maintain that communication. Sometimes a family member will ask, you know, several times and so forth, where are we on the list? And we work with them. We tell them we have three people in front of them even though you're number 47, but you need this type of care, that type of thing. And we try to give them sometimes advanced notice. Also times...since there's a list that is rather long, we do occasionally get the family that makes the application knowing that there's a long list. And we'll call them up and say, are you ready to come in? We have an opening. And they'll say, eh, not yet. And what we do is we put them back on the bottom of the list. And you can...so you can do that. So some of the folks on the list, frankly, aren't ready to come in but are placeholders. So my hat is off to the admissions team that work the list that maintains that communication. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Other questions? Senator Kolterman. [CONFIRMATION]

SENATOR KOLTERMAN: Yes, thank you for coming and testifying today. [CONFIRMATION]

JOHN HILGERT: Thank you. [CONFIRMATION]

SENATOR KOLTERMAN: My question deals with, if the list is full and you don't have room, then you...do you outsource to other private homes? [CONFIRMATION]

JOHN HILGERT: No. No, Senator, we don't. It's up to that citizen to pay for and arrange that. We will certainly help them with information. [CONFIRMATION]

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SENATOR KOLTERMAN: So the VA doesn't necessarily...because I was under the impression the VA paid for some of those. [CONFIRMATION]

JOHN HILGERT: Well, this isn't the VA. [CONFIRMATION]

SENATOR KOLTERMAN: Okay. [CONFIRMATION]

JOHN HILGERT: This is the state. And this is a state home. We do get a per diem from our VA partners and as you all know, they help with building them to a large extent. (Laughter)
[CONFIRMATION]

SENATOR KOLTERMAN: Okay. That's what this... [CONFIRMATION]

JOHN HILGERT: But this is state run. The U.S. VA does have some contracted nursing facilities out there. That number fluctuates, both the numbers of beds and facilities. When I first came onboard, there was a large number. That number is somewhat smaller today. That would be a possible source. Certainly the facilities that, you know, are Medicare/Medicaid...there's private sector, for-profit facilities that are out there. There's choices in the state. But we don't incur an obligation to place the individual once they make an application on the waiting list. And I think that's what you're getting at. But we don't. [CONFIRMATION]

SENATOR KOLTERMAN: Okay. That's what I'm getting at. All right. Thank you.
[CONFIRMATION]

JOHN HILGERT: Thank you, Senator. [CONFIRMATION]

SENATOR CAMPBELL: Other questions from the senators? Director Hilgert, I have a couple questions. You have really a dual role, do you not? [CONFIRMATION]

JOHN HILGERT: I do. And there's another hearing later on today I need to speak to.
[CONFIRMATION]

SENATOR CAMPBELL: With the Nebraska Department of Veteran Affairs, correct?
[CONFIRMATION]

JOHN HILGERT: Correct, Senator. [CONFIRMATION]

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SENATOR CAMPBELL: You serve as the director of both of those. [CONFIRMATION]

JOHN HILGERT: I'm dual headed, yes, Senator. [CONFIRMATION]

SENATOR CAMPBELL: As we look into the future, should those two be combined into one? I mean, should you be rolled all up and you'd either be in DHHS or in a separate position, because I have been asked, why do we not just combine those? And does the position in the Department of Health and Human Services need to be there if all of it can be covered in the Department of Veterans' Affairs? And I didn't know how to answer that question. [CONFIRMATION]

JOHN HILGERT: I'm a division director. And as yet, we have an acting CEO (laugh) who might have opine on that. I would...here's what I'd say. And I...please, with all due respect, we have a new CEO that will be coming to lead the Nebraska Department of Health and Human Services. I think the entire agency is going to be looked at. And whether you take out 1,200 positions, which is how many positions we have in our Veterans' Home Division and around \$60 million, that would be a huge policy decision. And that would be something that the administration as well as the Legislature would deliberate on and to see if that makes some sense or not. And at this time, I don't have this new CEO onboard. And I think that that's something that they would look at. But right now, it's working. We're providing good quality service and will continue to do so in whatever capacity our policymakers decide to place us. [CONFIRMATION]

SENATOR CAMPBELL: And the second question has to do with, do we maintain contact, or does your office maintain some contact, with representatives from the federal government in looking at the status, the quality of veterans hospitals? We have got--you're smiling (laughter)--the senators...I know a number of senators have gotten that question. And so enlighten us as to, what should we answer there? [CONFIRMATION]

JOHN HILGERT: Yeah. Wow. Obviously, the USVA is divided up into veterans health, veterans benefits, and national cemetery administration. Veterans health covers the hospitals. Our hospitals and healthcare delivery system in Nebraska other than the Panhandle--there's some counties--are in VISN 23, Veterans Integrated Service Network, and each network has a director. Each area has another director. Our...I think we...Eileen Kingston is still acting director of the Nebraska-Western Iowa Health Care System. She is located at the veterans hospital in Omaha. It's all federal, we have...do we work together? We serve the same individuals. Of course we work together. But as far as the leadership, the organization, the direction that the federal administration wants to go, not a lot of contact. There are some things that are rolled out by the federal government that I question. And I'm wondering how it's going to work. Federal...or construction and prioritization of federal hospitals is...you know, I would love to...Nebraska always should be number one. I don't have a lot of input in that at all. I think that I would...what I

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do is I refer those individuals to our federal delegation who have that direct input on the prioritization of our federal needs and how we're going to help our veterans. And again, we do work together. We do collaborate. We have monthly meetings with the leadership so we know what's going on. But as far as determining policy and direction and order, Senator, that's...we're not part of that. [CONFIRMATION]

SENATOR CAMPBELL: But it would be fair, though, that if we got a call that we could refer them to your office to at least...because you would know... [CONFIRMATION]

JOHN HILGERT: Sure. [CONFIRMATION]

SENATOR CAMPBELL: ...who the right person would be to address their question. [CONFIRMATION]

JOHN HILGERT: Right. I have Eileen Kingston's address and I could certainly forward that along. And... [CONFIRMATION]

SENATOR CAMPBELL: Okay. And that would be helpful... [CONFIRMATION]

JOHN HILGERT: Absolutely. [CONFIRMATION]

SENATOR CAMPBELL: ...because at times I think we're not quite sure who we should refer them to. [CONFIRMATION]

JOHN HILGERT: Well, and it's a confusing (inaudible). I know there's some people who believe wherever there is a federal presence there is a hospital. And there's not. There's only one hospital in the state of Nebraska. And that's in Omaha. The rest are clinics. They're outpatient clinics. But yet we hear references to hospitals in numerous of our communities. [CONFIRMATION]

SENATOR CAMPBELL: That's helpful. Thank you, Director. Other questions from the senators? Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. I was going to come back to the waiting list for one other question. [CONFIRMATION]

JOHN HILGERT: Sure. [CONFIRMATION]

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SENATOR CRAWFORD: So we've heard why you think it's not a crisis now and how you manage the list short-term. Can you talk about your long-term planning in terms of projecting how many veterans we have? And, I mean, I'm sure we have an aging population that's going... [CONFIRMATION]

JOHN HILGERT: No. You know, Senator, there's a little report I keep in my office and it said by 19--what would it be--1990, we would have 26,000 veterans in the state of Nebraska. And the report was issued in 1960. Only the most optimists in our society--and evidently the USVA--are the only folks that don't believe we'll never have another conflict. So it's hard to project. But we have a need that's enduring right now. We have 140,000 veterans that do or will need our services at some point. We have a waiting list now. I don't have a fear at all that we are anywhere near redundancy which is another...something that we'd certainly hope to avoid. To project out, we don't do a lot of that. We respond to what we have. Certainly when we decided to build a new veterans home, the question was asked: Do we...are we going to have enough veterans? And the answer to that is definitely yes. The...Operation Desert Shield, October...August 2, 1990, supposedly that's still open, those wartime dates. We have been at war since 1990 in one way or another, according to the USVA and, of course, veteran statuses, so we're making veterans all the time. And with the War on Terror, you know, I won't even go any farther. So I think we'll be needing them for an awful long time, certainly longer than I'll be on this earth. [CONFIRMATION]

SENATOR CRAWFORD: So I guess that comes back to why we wouldn't be preparing for adding capacity. [CONFIRMATION]

JOHN HILGERT: The decision to offer this benefit, since there are alternatives, is a policy decision that is...I'm...that certainly could be examined. We are very fortunate to have replaced...LR241 when I was on the Appropriations Committee to replace the Thomas Fitzgerald Veterans' Home. And we've done that. I came onboard one day after we opened up the new Norfolk Veterans Home. We got a sizeable, wonderful, generous funding for a Central Nebraska Veterans Home. And our budget that we...that the Governor has submitted includes some conversion of assisted living to skilled beds which will increase the census at the Western Nebraska Veterans Home. We have been treated very, very nicely. In the worst economic downturn since the Great Depression, veterans have been kept high by your body and by our Governor. We're very grateful for that. So in the face of all that generosity, in the face of all that modernization, to request a significant expansion, we feel it just probably wasn't appropriate at that time. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

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SENATOR CAMPBELL: I would just add that one of the issues...Senator Bolz had, and still has a special committee looking at aging Nebraskans. And perhaps one of the issues that might be helpful for that task force to hear is to have you come and talk about your perspective on aging Nebraskan veterans. That is an area that we have not covered in the task force. And I'll make a note, because I think that would be very helpful, because we are certainly seeing an aging population in Nebraska and we're trying to look ahead for the Legislature's benefit. Will we have the right services and will we have people to serve our aging Nebraskans? And that's a question in all 24/7 facilities. [CONFIRMATION]

JOHN HILGERT: Sure. Definitely. [CONFIRMATION]

SENATOR CAMPBELL: So I'll mention that to Senator Bolz. That might be very helpful for us. [CONFIRMATION]

JOHN HILGERT: Well, may I please make one little small observation? [CONFIRMATION]

SENATOR CAMPBELL: Oh, absolutely. [CONFIRMATION]

JOHN HILGERT: If you look at the waiting list for all of our homes and all of those individuals that chose, well, I want to be at Grand Island. Oftentimes they'll say, my first choice is Grand Island, my second choice is Norfolk, my third choice is Eastern, my fourth choice is Western. We have people from every...for example, in Grand Island, we have individuals from every Congressional district, not only in the home but on the waiting list, people from all over. We do not regionalize a catchment area to say, well, if you're in the Panhandle, you've got to go to Scottsbluff, and if you're in Gothenburg, on this side of the Panhandle, you can't go to Scottsbluff. That...we don't do that. The veteran gets to choose wherever they go. And furthermore, the eligibility, you don't even have to be a Nebraskan. You only have to have lived in Nebraska two years during your life according to state law. So we do attract people sometimes from different states on occasion, Wyoming most notably and Iowa. But, you know, we do. So we do not have...we don't have catchment areas. And I think that's relevant to say that Nebraskans get to choose wherever they go within our system. That's why, again, LB279 that made our division was such a great idea, because we were able to focus on one job, the division, Veterans' Homes. [CONFIRMATION]

SENATOR CAMPBELL: Got it. Any other questions or comments? Thank you, Director, for coming today. We appreciate it. [CONFIRMATION]

JOHN HILGERT: Thank you very much. My pleasure. Thank you. [CONFIRMATION]

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SENATOR CAMPBELL: Is there anyone in the hearing room who wishes to make comment on the appointment of John Hilgert? Okay, seeing none, Dr. Acierno. [CONFIRMATION]

JOSEPH ACIERNO: You want me to comment about John? No. (Laughter) [CONFIRMATION]

SENATOR CAMPBELL: If you'd like. It's a public record. (Laugh) [CONFIRMATION]

JOSEPH ACIERNO: Just thought that was too easy. [CONFIRMATION]

SENATOR CAMPBELL: For a Friday afternoon, it probably was too easy, sir. (Laughter) Dr. Acierno, did you have comments that...for the committee? Oh, the page has them. [CONFIRMATION]

JOSEPH ACIERNO: (Exhibits 3, 4, 5) Yes. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Just wanted to make sure that we didn't neglect that. [CONFIRMATION]

JOSEPH ACIERNO: Yes. You have everything. Just a couple things: One is the testimony and two is really a job description. [CONFIRMATION]

SENATOR CAMPBELL: Oh, good. Yes, we actually... [CONFIRMATION]

JOSEPH ACIERNO: And I get asked that routinely, actually: What do you do? (Laugh) [CONFIRMATION]

SENATOR CAMPBELL: We decided that--as we were looking at this--that it might be helpful for us to know what that job description is. So, Dr. Acierno, go right ahead and welcome. [CONFIRMATION]

JOSEPH ACIERNO: Okay. Thank you. Good afternoon, Senator Campbell, members of the Health and Human Services Committee. I'm Dr. Joseph Acierno. That's J-o-s-e-p-h A-c-i-e-r-n-o. I'm Chief Medical Officer and director of the Division of Public Health for the Department of Health and Human Services and currently serving as acting CEO for the agency. I've served as Chief Medical Officer and director since March 8, 2013. Serving Nebraskans is an honor and a privilege. I'm also appreciative of the confidence Governor Ricketts has in me to continue on in his administration. I'm excited about the work we've been doing in public health to help people

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live healthier lives. And I'll go over a few of the things that...some areas that have...people know about or would like to know more about. Public Health played a critical role in the opening of the biocontainment unit in Omaha at the University of Nebraska. And the planning and coordination to get Ebola patients there who were medevaced from Africa. The Nebraska Department of Health and Human Services and Nebraska Medicine have been partners in preparedness for more than ten years. Building the unit was a joint effort and so was the decision to open it at the request of the U.S. State Department back in September. The decision required careful consideration. Ebola itself was not new to us, but having an Ebola patient in the U.S. and on Nebraska soil was. This was about more than treating patients. The decision impacted everyone in the state. We knew the highly trained staff at Nebraska Medicine could carefully...could safely treat patients while protecting the public and that the risk to Omaha and greater Nebraska was minimal. There was a high level of coordination and planning to transport those patients. It was a multijurisdictional, multiagency effort: HHS, Nebraska Medicine, State Patrol, Douglas County Health Department, law enforcement, fire, and EMS. Things ran smoothly because key players had planned, trained, exercised together as part of preparedness planning, which is really all part of public health as well, preparedness planning. Our goal was to protect Nebraskans. And that's why in response to Ebola, we've also enhanced our response plans; continued to evaluate hospitals' readiness; shared updated guidance with local health departments, health care providers, hospitals, local laboratories, and the state lab through our extensive Health Alert Network; we've monitored travelers from West Africa for signs and symptoms of Ebola--we continue to do that, by the way--updated our Web site with numerous resources to help people sort out facts from fiction and simplify the science; activated our Emergency Coordination Center within the Department of Health and Human Services as a central clearinghouse for Ebola-related information and guidance to help connect preparedness resources to those who need them statewide. DHHS, the Nebraska Emergency Management Agency, local health departments, and other local, state, and federal agencies have responded to tornadoes, wildfires, flooding, ice storms, disease, and food-borne illness outbreaks. Preparedness planning and response never stops and it continues to be a priority for the agency as well...and the division. Another priority in public health is our State Health Improvement Plan. Nebraska's plan was released in 2013 and provides a road map for the future of public health. The plan focuses on several priority issues including reducing heart disease, stroke, and cancer; strengthening and expanding health promotion programs in the state; and enhancing the integration of public health, behavioral health, environmental health, and healthcare services. The goal is to help people, families, communities, and public health agencies work together to improve the health and quality of life for all Nebraskans. Another area is public health accreditation. This is an important effort going on within the division. It's a voluntary process with an overarching goal: to improve and protect the health of the public by advancing quality and performance of tribal, state, local, and territorial public health departments. Accreditation provides valuable feedback to health departments on strengths and weaknesses; provides increased credibility, enhanced visibility, and accountability; and provides an opportunity to

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improve quality and performance of various programs. We've completed three prerequisites: the state Health Needs Assessment, State Health Improvement Plan and our division strategic plan, and submitted a letter of intent in September 2014 to the accrediting body. Wellness is another area. It's something that affects every Nebraskan. Public Health has worked hard to promote a culture of wellness across the state. Embracing a healthy lifestyle early on through physical activity, good nutrition, preventative screenings, stress management, leads to better health outcomes later in life. We know worksite wellness programs make sense. Americans spend around 36 percent of their total waking hours at work. I didn't know it was just that. I thought it was more than that, actually. (Laughter) And that makes workplaces prime venues for promoting and supporting healthy lifestyles. We've created an online Worksite Wellness Toolkit. It's a resource for Nebraska businesses. It's free, and it has a step-by-step approach, a little bit of...like a cookbook to expand those programs. The Division of Public Health is committed to ensuring Nebraskans receive safe, effective quality care. As chief medical officer, by statute I'm charged with the role of disciplining healthcare providers. My goal is to be consistent and fair with licensees and discipline. Nebraskans should be cared for safely, and healthcare providers treated fairly. If there's a problem with a facility or provider, the public entrusts that we will investigate and remedy the issue based on our findings. When it comes to discipline, licensees should understand that...what we're doing, why we're doing it, and all our actions are consistent with the laws. Public health is somewhat unique. Sometimes success can't be measured in...can't be measured. It's what doesn't happen. When you don't hear about us because people have clean air; water; less disease; quality of safe health care facilities; healthy schools, communities, and workplaces, that shows we're getting the job done. And that's success in public health. Our successes wouldn't be possible without the work of all the employees of Public Health. And I am extremely fortunate to work with such a talented and dedicated staff. I would say we have a highly educated staff, very dedicated, that really feel day in and day out that they are making a difference in people's lives. For those of you who I haven't met, let me wrap up by sharing a little bit about my background. Before becoming director, chief medical officer in March of 2013, I served as deputy chief medical officer since 2007, and prior to that was legal counsel to the department. I am a physician and a lawyer. The combination makes me well-suited for the work that I do at HHS, which has both community health and regulatory sides. I received my medical degree and law degree as well as my undergraduate degree from Creighton University. I just figured I'd stay at one place and keep going. It was an...I was an emergency department physician while attending law school and later practiced medical and legal law in Los Angeles and in Omaha before joining the department. I appreciate your commitment to the health of Nebraskans. The division has been a resource for you on community health and general personal health issues. And we're happy to help you. I'm grateful to have the opportunity to continue to move public health forward in the state. Thank you for your time and I'll answer any questions. I know that was a little long, but... [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Dr. Acierno. [CONFIRMATION]

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JOSEPH ACIERNO: Sure. [CONFIRMATION]

SENATOR CAMPBELL: Questions from the senators? Senator Howard. [CONFIRMATION]

SENATOR HOWARD: Thank you, Senator Campbell. I know that the department of public health...or the Division of Public Health manages quite a few databases for us, over 90 databases. [CONFIRMATION]

JOSEPH ACIERNO: Yeah, at least, yeah. [CONFIRMATION]

SENATOR HOWARD: So how do those databases...how are we able to use those databases to tell us about the health status of Nebraskans? And what type of technology do you need to make them more effective? [CONFIRMATION]

JOSEPH ACIERNO: With...I'm sorry, what...the end part of the...what type of what do we need? [CONFIRMATION]

SENATOR HOWARD: What type of technology would you need to make them more effective? [CONFIRMATION]

JOSEPH ACIERNO: Oh. Well, it's a combination of things. We do have many databases throughout. And we have folks within the department who actually mine some of this and are looking at the data so we have something to show for what we're doing. I would say the informatics part of public health is becoming bigger and bigger across the country. It's the backbone. If you can't show any improvement in population-based health, it's going to go nowhere. The expertise is not easy to find, by the way. There's really a shortage out there of people who have this type of expertise. And so it requires a great number of...a lot of infrastructure and expertise. It's an area in which I think, over time, needs to grow, because we have to have a way...we bring in so much information into the department, so much health information. And it's having the expertise to pull out what we need. That's an interesting...and it's in an interesting point of, how do we handle all of it? I wish I had a lot of people who had all this expertise that do it day in and day out, but we do pretty well with what we have. But I think there is room to improve on it. I think it's really finding the expertise at times. So Public Health must be able to understand what it is doing day in and day out. The grants are requiring it. As you can see from my job description, 60 percent of my budget is actually federally funded. So we are listening to what the federal government is saying. And those grants are coming from various folks. But they want to see progress made in various areas, and we have to show them what we can do. So... [CONFIRMATION]

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SENATOR CAMPBELL: Question...you want a follow up, Senator Howard?
[CONFIRMATION]

SENATOR HOWARD: Well, it's a new question. (Laughter) [CONFIRMATION]

JOSEPH ACIERNO: That's fine. [CONFIRMATION]

SENATOR HOWARD: You talked quite a lot about Ebola... [CONFIRMATION]

JOSEPH ACIERNO: Yeah, yeah. [CONFIRMATION]

SENATOR HOWARD: ...in your testimony, but I was curious about how things are going with measles. [CONFIRMATION]

JOSEPH ACIERNO: Yeah, well, they're...it's an outbreak. Interestingly, I mean...it's interesting. We talk about Ebola. Ebola had the spotlight and continues to have the spotlight, really, since summer. And I think it has been unfortunate in some ways: fortunate we have a facility in the state who could take care of the patients, unfortunate that it is has gotten...taken all the oxygen out of the public health discussion. There will be more people who will be impacted by influenza and who will die of influenza in the state of Nebraska than will die of Ebola. We will have more people who have measles. We'll have more people who will have pertussis. Measles cases...yeah, we're really started, as you saw, and I...we put out a news release yesterday, we've had a few cases. And so we're doing the epidemiologic investigation on those to determine source. And it is a highly contagious illness. And so that's what's going on with it. Nationwide it is truly a problem, as is pertussis. These are issues, really...get back to people who need to understand what their immunization status is and get vaccinated. So, measles is something on our radar. But it's really...hopefully we're going to see not much of an outbreak here. But we're preparing for that and trying to get communications out, what to do. We send out health alerts on all of these as we get them from the CDC. Or we create them and off they go. So I'm not sure where measles is going at this point. We're watching like everybody else. As long as we can educate...again, I'm as concerned about influenza, which maybe we're peaking right about now. Maybe we'll have a little bit of an early peak and we'll come down. Influenza has been pretty tough this year across the country. [CONFIRMATION]

SENATOR HOWARD: Thank you, Doctor. [CONFIRMATION]

JOSEPH ACIERNO: Yeah. [CONFIRMATION]

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SENATOR CAMPBELL: We'll stay on this side. Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you for your testimony and for your service. [CONFIRMATION]

JOSEPH ACIERNO: Sure. [CONFIRMATION]

SENATOR CRAWFORD: I was just going off of some of the things that were listed on the resume in terms of the parts of your job. [CONFIRMATION]

JOSEPH ACIERNO: Yeah. [CONFIRMATION]

SENATOR CRAWFORD: And one part was talking about the public health systems throughout the state including emergency medical system, local health districts, rural and minority health. I was wondering if you just would discuss for us some of the...some of your planning or initiatives in terms of minority health. [CONFIRMATION]

JOSEPH ACIERNO: Well, overall I think that's an area that is ever-evolving. And I kind of like to look at it in overall health disparities, because the disparities aren't only in minorities, and it depends how you define that. It's not always around racial, ethnic lines. It sometimes has to do with access issues and various things. I think a thrust, though, where Public Health generally needs to go, I think, is the ability to message health...people to understand what is going on. I think we've done...had great strides on that. And we do work with local health departments. We work with the tribes. We work with various folks through contracts and money moving to them to move those initiatives or to educate folks. We can't do that alone, so we really have to use the local health department infrastructure, which is fantastic in this state, and they're...I can't tell you enough how great of partners they are, because we can't do all of this alone. So it's really on multiple fronts from speaking the language to how to get them into the system to educating on screenings and basic health, and so it really runs a great gamut. But our Office of Health Disparities, we're looking at...we look at multiple issues, though. Health disparities are, I think, for public health, or for the healthcare system generally, has been a very difficult subject. And I don't know that we'll ever feel it's really remedied. All we can do is work day to day to hopefully remedy it. But it's very, very challenging. [CONFIRMATION]

SENATOR CRAWFORD: Yeah. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Senator Crawford, did you have a follow-up?
[CONFIRMATION]

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SENATOR CRAWFORD: No, I...a different question, so... [CONFIRMATION]

SENATOR CAMPBELL: Sure. [CONFIRMATION]

SENATOR CRAWFORD: So in the...your work on accrediting the public health...
[CONFIRMATION]

JOSEPH ACIERNO: Um-hum. [CONFIRMATION]

SENATOR CRAWFORD: ...I assume part of that probably was a self study where you're
identifying your strengths and weaknesses. [CONFIRMATION]

JOSEPH ACIERNO: Right. [CONFIRMATION]

SENATOR CRAWFORD: Could you talk to us a bit about what you see in our public health
system in terms of strengths and weaknesses? [CONFIRMATION]

JOSEPH ACIERNO: Well, we...as far as...well, how...accrediting is looking at how we are
operating just as the state Division of Public Health. The local health departments, any local
health department, can become accredited in their own right. It doesn't look at the state as a
whole. [CONFIRMATION]

SENATOR CRAWFORD: Oh, okay. [CONFIRMATION]

JOSEPH ACIERNO: So it's really looking at our organization, performance, increasing
performance, quality improvement. So we're going through that whole process, which I
think...accreditation is a nice thing to put on the wall. But I'm happier with the issue of, we went
through the process to get there and to maintain it. It makes everyone think a little bit more about
their job, how we can make it better day to day, what we're really contributing, versus just doing
the same thing every day. It keeps us...I think keeps us on our toes. I think accreditation is going
to be a big thing across the country. I do think it will be tied to grant funding eventually. I don't
know how that's all going to work. I'm not even sure the Public Health Accreditation Board and
anyone really knows how it's all going to work. Not every state has been accredited. Actually, a
minority of the states have been accredited. And as far as local health departments across the
country, it's a very small number at this point. Hopefully within this next year we'll end up with a
site visit. And we have folks that are working this pretty much nonstop. I mean, it's kind of what
they do all day. And they're working towards getting us in that position. And they're fantastic.
And they've really done great work. And so it's really not about the whole state. I think

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it's...really, it's about our entity. But we suffer in this state from the similar health issues. We mirror everything else from obesity to hypertension to cancer. It's making the inroads into those. When does the curve come down? Obesity just seems to go up, but are we flattening that curve at all? Sometimes I feel very encouraged and then the next report comes out and you feel very discouraged by all of it. So all you can do is...moving population health is daunting. It doesn't happen. It's not like taking care...you have pneumonia, I put you in the hospital, I put you on antibiotics, and in a week you're feeling great. Population-based health potentially takes generations. You have to be a patient individual. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any other questions over here? Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: I wanted to go back to the Ebola question. [CONFIRMATION]

JOSEPH ACIERNO: Um-hum. [CONFIRMATION]

SENATOR RIEPE: And that would be: It's my understanding that funds have been requested of the state to participate in some expansion of the center. My question is to you: Do you think that the Ebola situation is more of a federal issue than it would be a state of Nebraska issue? And correspondingly, in that same question, is where are we in terms of a vaccine that will maybe in a year or two years at most eradicate the challenge of Ebola? [CONFIRMATION]

JOSEPH ACIERNO: Yeah, that's interesting. I will start with the vaccine. They are...there's vaccines, I believe, in trials, early trials. I'm hoping...I think you're probably talking a year out or so. I don't know that that will...I think by that point this issue will be under more control, what's going on with Ebola right now, because the issue really is based in Africa. As far as the funding, that...I have no influence or input into what the University of Nebraska has asked for for that funding. Overall, though, I think Ebola in the way it has been...the preparedness part of it is a federal issue, though. I think overall we have been getting preparedness money for years, federal money, and we will continue to get money, and it all is to build the infrastructure to keep us safe. It is a federal...we have a very unique situation here considering we have Nebraska Medicine with the biocontainment unit. So it kind of translates in some very different ways. I mean, there's only three places that are doing any of the work right now in the United States, at least in those types. You have...obviously you have Emory, you have the University of Nebraska, and the National Institute of Health that have these facilities. So we're very uniquely positioned. And because of it...it is a national issue. It is a world issue. The University of Nebraska has become the world expert in Ebola. But I'll leave that up to them of how much funding they would like to pursue. But it's...it truly is...I think it's a federal issue of planning to prevent this type of issue to

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ever gain any steam in this country. As we've seen, we've only had the issue in Texas. And fortunately...and that seemed to be...with good public health and epidemiology seemed to contain everything that was going on in Texas. Hopefully then it's... [CONFIRMATION]

SENATOR RIEPE: My concern is that individuals build resumes and organizations build reputation at the expense of the taxpayers of Nebraska when it has little immediate impact on Nebraska as much as it does either globally or across the country. [CONFIRMATION]

JOSEPH ACIERNO: Well, but I think what you're...Ebola has kind of been the focus. But when you look at the biocontainment unit, it was designed for more than Ebola. Ebola has kind of been the...been held up as what we need to all be thinking about, but preparedness truly is in every state. It's everyone's responsibility that we don't have bigger problems here, whether it's tuberculosis...with resistant strains of tuberculosis, other hemorrhagic fevers. We hear about Ebola because it's the new and better thing, but there's other hemorrhagic fevers that can be as deadly that we don't hear about. So preparedness: It is local. It is within the state. But my belief is, the...whatever money is being spent on this, considering the potential catastrophic outcome, I think it's been...obviously we...it's been money well spent in preparedness. I think we've built a good infrastructure within the state. Most people think of preparedness in this state as tornados and things like this. But infectious diseases are as big an issue, and that affects everyone in the state. [CONFIRMATION]

SENATOR RIEPE: But if that was the case, why wouldn't every state be building--instead of Georgia and Nebraska--be building bioterrorist systems? [CONFIRMATION]

JOSEPH ACIERNO: Well, it's an interesting question. I can't go...I really don't know the history...why every state thinks the way they do. Other states, from what I gather, have been interested in doing...building some of these units. It was...I would credit people in Nebraska with some foresight a decade ago, because it's coming up on its ten-year anniversary here, that thought this might be a good idea. What's become of it is, really, Nebraska has become somewhat of a national asset, too, the Nebraska Medical Center, which is something to be proud of. [CONFIRMATION]

SENATOR RIEPE: It's true. It is, but there is a price with that and...to the taxpayers. [CONFIRMATION]

JOSEPH ACIERNO: It's true. It's true. [CONFIRMATION]

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SENATOR RIEPE: And my question...is the juice worth the squeeze when you get down to it to, say, for that kind of an investment for a predominantly smaller rural state? [CONFIRMATION]

JOSEPH ACIERNO: That is in, I guess, the eye of the beholder. [CONFIRMATION]

SENATOR RIEPE: Thank you. [CONFIRMATION]

JOSEPH ACIERNO: Yes. Sure. [CONFIRMATION]

SENATOR CAMPBELL: Senator Kolterman. [CONFIRMATION]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Dr. Acierno, can you tell me how...I know we're in an outbreak of measles. [CONFIRMATION]

JOSEPH ACIERNO: Um-hum. [CONFIRMATION]

SENATOR KOLTERMAN: How effective is the injection that a young person gets?
[CONFIRMATION]

JOSEPH ACIERNO: As far as vaccines? Vaccines have been one of the greatest things ever created in public health, the control of infectious diseases. I always say, my kids, there wasn't a needle that didn't find them when they were young. (Laughter) If it was a needle full of a vaccine, they were...just do it. Stay careful. I do think they're effective. Some vaccines are better than others. We have found over some time that probably the pertussis vaccine has had a few issues with it over time in waning immunity. So we do find that. But on balance, these are good things. You have to think about it that most people have never seen most of these illnesses. Many physicians have never seen any of these illnesses. They can be quite deadly. And these vaccines were created for a reason. These were not good things to have running around out there. And so we're seeing a little bit of a resurgence in it just because the world has shrunk a little bit, too. So people travel everywhere. But we also have a group of folks who have decided for one reason or another they don't want to participate in vaccinating their kids. So I actually think...on balance, I think the vaccine...it's safe. I use my own kids as the example. So I have no problem with the...any of the vaccines. [CONFIRMATION]

SENATOR KOLTERMAN: Okay. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Was there a...Senator Howard. [CONFIRMATION]

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SENATOR HOWARD: Thank you, Senator Campbell. Since your division manages accreditation and we've had several conversations about CHI and the Trauma Center, can you give us an update on the time line? [CONFIRMATION]

JOSEPH ACIERNO: Well, what I'm going to do is, because I'm not involved in that, setting the time line...and the reason why some of my staff is...I am not involved in that. I know it's my letter that goes out. But I am the decision maker, and this isn't a legal process at this point. So they have...can appeal my decision. And so I am walled off from it at this point. That information can get to you, but it's not something I'm going to be involved in, because I have to remain impartial. So we could get that information to you. [CONFIRMATION]

SENATOR HOWARD: I would really appreciate that. Thank you. [CONFIRMATION]

JOSEPH ACIERNO: Yeah. Yeah. [CONFIRMATION]

SENATOR CAMPBELL: I think that would be very helpful. Dr. Acierno, we probably don't see public health very often unless there's some kind of a problem or a bill that deals with it. [CONFIRMATION]

JOSEPH ACIERNO: Sure. [CONFIRMATION]

SENATOR CAMPBELL: But where we do interact with you, and you were here the other day when we discussed 407 process...one of the issues that I think is creeping up, and would be really helpful if you could give us some insight...part of our problem with the 407 process that we experienced last year was, the process takes a certain amount of time. And I think that that's something that, you know, we've had difficulty, because some are shorter, some are longer. But there is a process here that has to go through. [CONFIRMATION]

JOSEPH ACIERNO: Sure. Sure. [CONFIRMATION]

SENATOR CAMPBELL: But we get to the point where a 407 starts later. And then we get to a legislative session point in time, and we need that information. Do...are we at a point that we should set that all 407 proposals should be by June 1 or July 1 in order to get the time sequence right to have that information for the Legislature? [CONFIRMATION]

JOSEPH ACIERNO: I understand what you're thinking. The hard part is, we can't force people when to make an application. That's the hard part. They make the application and the clock runs. So it's...I have, I think, it's up to...by the time it's done is a year when my report can come out. So

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I don't know. I mean, it's something to think about, but I don't...I'm trying to think how we would implement getting it to you timely under some other time line, because if somebody was to make application in, I don't know, October, and you're going into a session... [CONFIRMATION]

SENATOR CAMPBELL: It would never happen. [CONFIRMATION]

JOSEPH ACIERNO: ...it's not realistic to get the group together, because the technical review committee needs to be appointed. These are volunteers. You can only meet so often. Sometimes they want more information back. Sometimes the application...we have to help the applicant, make sure they answer all the questions. By the time it gets to the Board of Health...it only meets so many times a year. It gets to me. It just depends. I know in the case of last year when I worked as quickly as I could to get the optometry...optometrist...or ophthalmologist one out--and I did--I can move faster as the director, but sometimes when you're looking at how often the Board of Health meets, technical review committee, we could talk about possibilities there. I mean, it's probably worth exploring that because it really is a tool for all of you to understand what's going on. [CONFIRMATION]

SENATOR CAMPBELL: Right. [CONFIRMATION]

JOSEPH ACIERNO: Once I write my report, you get everything and it's really your tool at that point. So... [CONFIRMATION]

SENATOR CAMPBELL: When the Board of Health met the other day, and they annually invite the senators from the Health and Human Services Committee to be there, one of the things that I think I took away from that lunch meeting with them was that we will invite the people who work on the 407 process with...from the Board of Health to come and do an orientation. [CONFIRMATION]

JOSEPH ACIERNO: Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: It's a good repeat for some of us that have heard it again. And it might be a worthy question to ask some of the members of the Board of Health, because we could amend the 407 process in which we clearly state that if you expect your issue to get to the Legislature by such a time...you know, it's worthy looking into, because sometimes I think that people start the 407 process thinking it's just going to go like that. [CONFIRMATION]

JOSEPH ACIERNO: Correct. [CONFIRMATION]

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SENATOR CAMPBELL: And then they line up senators to have a bill to correspond with it, and the bill is there and the report is not. And really, the 407 process, as you said, is for the Legislature. [CONFIRMATION]

JOSEPH ACIERNO: Right. [CONFIRMATION]

SENATOR CAMPBELL: So I'll try to set up a briefing to have them come and talk. And, of course, you'd be welcome to join us. But it's one of the points that I think it would be helpful to discuss with them. [CONFIRMATION]

JOSEPH ACIERNO: Yeah, it's true. I do think routinely we actually sees bills before the 407 may even start... [CONFIRMATION]

SENATOR CAMPBELL: Absolutely. [CONFIRMATION]

JOSEPH ACIERNO: ...where you are looking at a bill and saying, this looks like it has 407 written all over it. [CONFIRMATION]

SENATOR CAMPBELL: Right. [CONFIRMATION]

JOSEPH ACIERNO: And we may come to that agreement. I don't get into the rationale why somebody brings it. You know, or sometimes we even have folks contemplating a 407. We know it. We don't have the application, but then the bill may arrive, and it's like, well, but I thought we were going through 407. And then you're kind of caught in this zone of, now what? [CONFIRMATION]

SENATOR CAMPBELL: Actually, Dr. Acierno... [CONFIRMATION]

JOSEPH ACIERNO: Yeah. [CONFIRMATION]

SENATOR CAMPBELL: ...I think we have one that's a good example of that this year, the "surgitech." [CONFIRMATION]

JOSEPH ACIERNO: Correct. [CONFIRMATION]

SENATOR CAMPBELL: And basically the rationale for the people, and I put the bill in, I'm the culprit there. (Laughter) [CONFIRMATION]

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JOSEPH ACIERNO: That's all right. [CONFIRMATION]

SENATOR CAMPBELL: I put the bill in. That's all right. I put the bill in. And primarily, because what we'll say to the...my colleagues is, we're going to have a hearing just to kind of get some information on the record, but we'll hold it. And basically they wanted it then to go through that 407 process and basically have a shell that by the next legislative session we would be ready to move and not have some delay of another whole year. [CONFIRMATION]

JOSEPH ACIERNO: Sure. I guess that's... [CONFIRMATION]

SENATOR CAMPBELL: And that's the... [CONFIRMATION]

JOSEPH ACIERNO: ...entirely up to them how they want to them how they want to proceed in that regard. [CONFIRMATION]

SENATOR CAMPBELL: Right. [CONFIRMATION]

JOSEPH ACIERNO: But it also comes down to, to keep it all moving knowing it's a 407, that applicants, you can encourage them, get your application in. If you know you're going to do it, then do it. [CONFIRMATION]

SENATOR CAMPBELL: Right. [CONFIRMATION]

JOSEPH ACIERNO: And then we can get it into the system, because again, you have to have the technical review committee appointed, start setting all those meetings. Yeah, I think it is a very good system. [CONFIRMATION]

SENATOR CAMPBELL: I do, too. [CONFIRMATION]

JOSEPH ACIERNO: And you have the benefit of three reports to look at when it's all over and draw your own conclusions. [CONFIRMATION]

SENATOR CAMPBELL: It's a nightmare to even think about the fact that we would not have the 407 and we'd be at the mercy of what we all thought without very much medical. I mean, I don't see too many medical degrees here for us to make some judgments. So I think it's helpful. It's just a matter of keeping a watch on it and seeing where we need to make changes.
[CONFIRMATION]

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JOSEPH ACIERNO: But if you want to talk time lines one day in another way, I'm more than happy to talk to you. Maybe we can get it more efficiently...get it into...the finished product into the system. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Senator Crawford, do you have a question? [CONFIRMATION]

SENATOR CRAWFORD: Yes. Thank you. This is a different topic. [CONFIRMATION]

SENATOR CAMPBELL: Oh, okay. That's fine. [CONFIRMATION]

SENATOR CRAWFORD: Okay. So as I understand it, the Public Health is very dependent on grants, as you discussed earlier. [CONFIRMATION]

JOSEPH ACIERNO: Absolutely. Yes. [CONFIRMATION]

SENATOR CRAWFORD: Right. And so if those grants are competitive between states and if those grants are like academic grants where a major part of the grant is overhead, I wonder if we are harmed in competition with other states because our Public Health is within a larger division, and that overhead can go somewhere else besides into Public Health. [CONFIRMATION]

JOSEPH ACIERNO: Well, I get what you mean, but I would tell you, many of the grants we get are not competitive. Perfect example: drinking water. Every state is getting drinking water grants. Some have become more competitive. I think it's more about concept than anything else and how we plan on carrying out those duties. I don't think competition with states has...just depends on your infrastructure and the goals of those states. So I don't...some are competitive, but on the whole, much of the major work we're doing isn't as competitive. But maybe to amounts of money, you know... [CONFIRMATION]

SENATOR CRAWFORD: So just in a follow-up, so given that the grants are coming in... [CONFIRMATION]

JOSEPH ACIERNO: Yeah. [CONFIRMATION]

SENATOR CRAWFORD: ...do we make sure that any overhead on Public Health grants goes directly to Public Health, or does it get absorbed back in the whole HHS overhead? [CONFIRMATION]

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JOSEPH ACIERNO: Well, the way it's set up as far as the indirect costs and the agency, that's going into a bigger pool to operate HHS generally. It's the basic... [CONFIRMATION]

SENATOR CRAWFORD: So, the overhead... [CONFIRMATION]

JOSEPH ACIERNO: ...yeah, the indirect costs are spread amongst all the divisions because we have HR. We have, you know, IS and T, we have the basic operations to run the agency, so some of that money is being used as far as overhead goes. Yes. So it is spread out. [CONFIRMATION]

SENATOR CRAWFORD: Of course. Okay. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Dr. Acierno, one last question: As we were preparing for this, we had some discussion. And you may say, you know, I'm really going to let somebody else answer this question, but one of the points brought up is, here we are and we're dealing with two directors of a department that we yet do not have the CEO. And yet, because we don't have that person reviewing what will happen to the department, what you will be doing, what Director Hilgert will be doing...and normally the CEO would obviously pick that team or help to select. So the question, really, among some of the senators was, is this the cart before the horse? Or how...and you may say, that's really not my decision. [CONFIRMATION]

JOSEPH ACIERNO: Yeah, that's how I'll answer it. (Laughter) [CONFIRMATION]

SENATOR CAMPBELL: But on the other hand, I wanted to raise the question, and if there's not an answer, at least to let the people who watch this in the hearing and the senators know that we are...we take this process very seriously in our responsibility. And I know that all the directors that come before us do. But it is a question that most likely will arise in many, many later years. So it's something that we may want to think about. And I'd be glad to visit with the Governor about it, but... [CONFIRMATION]

JOSEPH ACIERNO: And I think that would be the appropriate avenue to handle that discussion. [CONFIRMATION]

SENATOR CAMPBELL: And I'm not saying that's going to come into a point in terms of your two appointments moving forward, but I think it is a question that we may need to look at in the future. [CONFIRMATION]

JOSEPH ACIERNO: Yeah, I anticipate I will be doing the same public health work I've been doing and...regardless of who ends up to be the CEO. And I'm excited about continuing on,

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really. It's...some things in public health are always, no matter who will be in that position...we're still surveying hospitals, we're still doing many of the regulatory things we do. So...

[CONFIRMATION]

SENATOR CAMPBELL: Certainly. Your department and Public Health is one of those things that goes on sight unseen, oftentimes unappreciated among all of the local health departments across the state... [CONFIRMATION]

JOSEPH ACIERNO: It's true. [CONFIRMATION]

SENATOR CAMPBELL: ...until there's a big problem and then we go, what are we going to do about this? And... [CONFIRMATION]

JOSEPH ACIERNO: Well, it's really true, and I think that's...I think when you have any kind of an outbreak of anything, people wonder, well, what have you been up to? Well, we've been doing a lot of good things. And that's why we don't have outbreaks all the time. That's why it's newsworthy. Looking at public water systems: We regulate them. Most people don't know that. They think it's Department of Environmental Quality. We actually do the regulatory end of that. You take for granted every day you turn on your faucet, you get in the shower, it's good to go. Clean indoor air...everyone takes it for granted, but that's the nature of the work we're doing. And that's what public health is all about. So, if you're waiting for a lot of pats on the back, you're in the wrong field. [CONFIRMATION]

SENATOR CAMPBELL: I would understand that. Dr. Acierno, thank you very much for coming today... [CONFIRMATION]

JOSEPH ACIERNO: Sure. You're very welcome. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: ...and spending time with us on your appointment. Is there anyone in the hearing room who wishes to make comment on the appointment of Dr. Acierno? Okay. Thank you very much. [CONFIRMATION]

JOSEPH ACIERNO: Sure. [CONFIRMATION]

SENATOR CAMPBELL: All right. We will proceed now to the hearings this afternoon. And right on time...we'll open the public hearing this afternoon on LB19, Senator Krist's bill to change provisions relating to laboratory certification under the Nebraska Safe Drinking Water Safety Act in this. Goodness. Good segue. [LB19]

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SENATOR KRIST: Couldn't have been better. Dr. Acierno's comments were...I'll incorporate into my comments. Good afternoon, Senator Campbell and members of the Health and Human Services Committee. For the record, my name is Bob Krist, B-o-b K-r-i-s-t. I represent the 10th Legislative District in northwest Omaha along with north-central portions of Douglas County and the city of Bennington. I appear before you today in introduction and support of LB19. The bill changes procedures for the director of public health to certify and enter into agreement with private laboratories. LB19 eliminates the permissive language to enter into agreements with private labs and would make it mandatory. After being certified by the director, the laboratories would be able to test water that is intended for human consumption including the tests required by the director for compliance and monitoring purposes. Under the Safe Drinking Water Act, they would also be able to test samples which are not incompliant samples under the act. I'll just stop here and segue on to Dr. Acierno's comments. It is unrealistic for us to continue to keep up with the load that we have and continue to sample things that need to be sampled. I say that because the postage system has changed their...the way that they do business. Some samples need to be sent in in a timely manner. Some samples need to be laboratory tested within 30 hours. And there have been issues with the certification of one laboratory that can do most of these instead of the laboratories that are across the state. I would also say--and I think you're going to hear from it, I hope, from one of the labs who will be represented--that we are economically disadvantaged in terms of our laboratories on how much competition there is, if they're...that they don't have the certification, they can't do things for other states on the border areas around Nebraska. So it's an economic development bill as well. As Senator Chambers sometimes alludes to, it does a multitude of things. Private laboratories in Nebraska are seeking changes in current statutes that regulate the testing of compliance of drinking water samples as these statutes limit private laboratories to only test compliance drinking water samples for E. coli while other mandated testing such as the...conducted by the Department of Health and Human Services, DHHS, private laboratories currently have the capability and knowledge to accurately and precisely perform dozens of mandated tests that DHHS is requiring municipalities and other permitholders to have performed on the public drinking site. Passage of LB19 would provide the following benefits: First, it will provide alternative sources for analysis by removing the current monopoly held by DHHS and it would provide for competitive pricing and services. Second, LB19 increases revenue for the Nebraska private laboratories which will provide the ability to hire more employees, purchase instrumentation, and increase tax revenue for our state. Finally, LB19 also allows designating Nebraska laboratories as "Nebraska certified." This will increase private laboratories' ability to market analytical services in Nebraska and throughout the Midwest including South Dakota, Kansas, Missouri, Iowa, and Colorado. I'd ask you to listen both to the pros and cons and, as I have always said, your best judgment in coming out of Health and Human Services, because I believe public safety and wellness is our big concern and our obligation. Thank you. [LB19]

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SENATOR CAMPBELL: Thank you, Senator Krist. Are there questions from the senators to start off? Senator Krist, will you be here to close? [LB19]

SENATOR KRIST: I will. Thank you. [LB19]

SENATOR CAMPBELL: Okay. Excellent. And with that, we'll go to our first proponent for LB19. As the gentleman is making his way forward, how many proponents to LB19 do we have? Okay. How many in an opposition? Okay. How many in neutral? All right. Proceed, sir. [LB19]

JERRY KING: (Exhibit 1) Thank you. Thank you, Senator Campbell, and thank you for the committee for allowing me to present some information about Midlands Laboratories and our support of LB19 there. I represent Midwest Laboratories for... [LB19]

SENATOR CAMPBELL: Sir, I'm going to stop you right there. You do need to identify yourself and spell your name. [LB19]

JERRY KING: Oh, I'm sorry. Yes, yes. I'm sorry. My name is Dr. Jerry King. That's J-e-r-r-y K-i-n-g. [LB19]

SENATOR CAMPBELL: Thank you. [LB19]

JERRY KING: All right. Yes, and as I said, I do represent Midwest Laboratories on this hearing. This bill will provide an opportunity for Nebraska private analytical laboratories to analyze potable water samples to meet compliance requirements. Currently, the Nebraska's Health and Human Services laboratory grants private laboratories an agreement for analyzing compliance samples for coliform bacteria only. By expanding this opportunity, it will provide private laboratories an opportunity to expand their analytical services to their respective locales. Under Nebraska Title 179, water systems are required to sample and analyze drinking or potable water samples according to a permit schedule. These parameters include coliform bacteria; inorganic parameters such as nitrate, lead, and copper; and organic compounds such as certain pesticides and volatile organics. The Health and Human Services laboratory has taken the stance that all compliance samples, with the exception of coliform bacteria, must be submitted to and analyzed by the Health and Human Services laboratory or a subcontracted laboratory if the state laboratory does not have these analytical capabilities. There is no statutory requirement for this process when there are private Nebraska laboratories that could also provide these services if permitted. The approval of LB19 would provide opportunities for local municipalities to submit compliance samples to local laboratories rather than having to send them to the state laboratory. To send samples, especially from greater Nebraska, the municipalities have to pay additional

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postage to have the samples received by the state laboratory within prescribed holding times and temperatures and also pay the fees mandated by the state. By allowing the use of a local laboratory, the municipalities can more easily and more economically deliver samples to a local laboratory and also negotiate more competitive fees. Also, by having the opportunity to analyze compliance samples, the private laboratories can increase revenues, add additional personnel, acquire additional instrumentation, and be more full-service to their clients. LB19 fosters a change from government-controlled activities to private enterprise. Governments should not compete with private entities if a private entity can provide the same type of service. The following revisions are of particular importance. Okay, number one, the director shall certify and enter into authorization agreements with laboratories to perform tests on water that is intended for human consumption including the tests required by the director for compliance and monitoring purposes; and number two, shall provide for certification of independent laboratories to test samples provided by public water systems for all acute toxins for which the department tests such samples including, but not limited to, coliform bacteria, nitrates, inorganic chemicals, organic chemicals, radionuclides, and any other toxin for which the department tests such samples. This change would provide clear language that, in addition to certifying private laboratories, it would also permit private laboratories to analyze compliance samples. The current statutes provide for certification but they do not provide for allowance for private laboratories to analyze these samples. Without the ability to analyze samples, the need for certification is negated. In addition, this change would allow municipalities to negotiate prices. For example, in the 2015 state laboratory fee schedule for volatile organics, the fee is \$237. The same test provided by Midwest is \$95. Public water supplies would be able to request price quotes and services from competing laboratories and that could save them money. The laboratories shall be allowed to test water samples which are not compliance samples by testing methods other than the methods and procedures required to use on compliance samples. The rest of this can be followed along on my transcript there. The change would allow independent laboratories the ability to analyze samples that are not classified as coming from a defined public water system using validated methods that are not required by the Nebraska Health and Human Services laboratory. For example, the state laboratory requires laboratories to analyze coliform samples using a method called SM 9223 B and heterotrophic plate count by 9215 SimPlate. However, the EPA drinking water program allows optional methods such as membrane filtration for coliform bacteria or pour plate for heterotrophic plate count bacteria. By allowing alternative approved methods, the laboratories are better able to make decisions about samples. And in addition, individuals may wish to check their private well water for their own benefit and send in a sample without proper sampling information or preservation or containers. The proposed language would allow some flexibility on the part of the laboratory to meet the needs of the client. LB19 as proposed would be a financial and business advantage for Nebraska private laboratories and also allow municipalities and public water supplies the flexibility to seek the most cost-effective means of meeting potable water compliance. The Nebraska Natural

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Resources District board has also selected LB19 as one of their top ten monitored bills. Thank you for the opportunity to provide this. Are there any questions? [LB19]

SENATOR CAMPBELL: Thank you, Dr. King. Questions from the senators? Senator Riepe. [LB19]

SENATOR RIEPE: Thank you, Senator Campbell. Dr. King, I have a question. Do you own or work in...I believe you work for Midwest Laboratories? [LB19]

JERRY KING: I work for Midwest Laboratories, correct. [LB19]

SENATOR RIEPE: Okay. So you would, in essence, benefit from this particular piece of legislation? [LB19]

JERRY KING: Yes, Midwest Laboratories, along with any private laboratory in the state of Nebraska, yes. [LB19]

SENATOR RIEPE: Okay. My second, if I may... [LB19]

SENATOR CAMPBELL: Sure. [LB19]

SENATOR RIEPE: ...is, in a rural state like Nebraska, what's the definition of local laboratories? I... [LB19]

JERRY KING: A local laboratory would be...see, well, we're in Omaha. But there are laboratories in McCook and in Scottsbluff and more the greater Nebraska. So instead of having to send a sample all the way to Lincoln, you could use a laboratory like in Scottsbluff or in McCook or in Kearney without having to send the samples. [LB19]

SENATOR RIEPE: What's your share of the entire market in Nebraska? I mean, do you have labs in Scottsbluff? [LB19]

JERRY KING: No. We only have one lab. That's in Omaha, Nebraska. [LB19]

SENATOR RIEPE: Oh, okay. Okay. Thank you. Thank you for being here. Thank you. [LB19]

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JERRY KING: Okay. You're welcome. [LB19]

SENATOR CAMPBELL: Senator...oh, thank you. Senator Crawford. [LB19]

SENATOR CRAWFORD: Thank you. So, I was...I'm just coming...responding to the section that talks about private well water. So is there anything that restricts you from doing those tests for an individual right now? [LB19]

JERRY KING: There is nothing that restricts us from doing that. The difficulty comes in is, if we are a certified laboratory in the state of Nebraska, we have to follow their procedures. And when the laboratory is audited by the state, the laboratory personnel, they monitor what procedures we follow. And what we want to do is have the ability to analyze those samples to meet the needs of the client, obviously still to make sure that the water does meet all of the public health requirements, all of the safe drinking water, like Dr. Acierno had mentioned before. Just like the state laboratory, we are also concerned about the safety and health of the individuals. But we want to require the science behind that, not the governmental oversight to make sure that certain procedures are followed. [LB19]

SENATOR CRAWFORD: So just so I understand, so you are not restricted from testing the private well water, but you have to follow certain regulations that you feel are not as appropriate. [LB19]

JERRY KING: That is correct. [LB19]

SENATOR CRAWFORD: Okay. Thank you. [LB19]

SENATOR CAMPBELL: Senator Kolterman. [LB19]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Doctor, can you tell me in a home which...what Senator Crawford was talking about, private well water, as an example. So I go out and buy a new home and as a requirement of that, the water has to be tested in that well if it's on an acreage. Does that...is it required now that that water test go to the state of Nebraska? [LB19]

JERRY KING: The requirement is if it's a public water supply, so it's for human consumption in a public water supply, that is what is defined in statutes. But there are many people with a private well who would like to have their well sampled also. And then it gets to be that gray area. It is not a compliance sample. It's not a public water supply. It's an individual. The difficulty that comes in here is, let's say they want to do pesticides and the EPA method for pesticides is EPA

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507. And if they were to send that sample in to the state, the state would run method 507 which has a certain list of parameters on there. Midwest Laboratories would analyze that same sample. They would analyze the same analytes as the state, but we would provide for that EPA 8140 one which is a different method. It's the same technology, same parameters, same detection level, but because it doesn't say EPA 507, they would take it to the state and says, okay, this does not meet compliance. Analytically, it's the same procedure. Now, if I were to say 507 on my report, then I would have to follow all of the requirements of EPA 507 which may or may not be beneficial. This...it's in effect an arbitrary method of making sure the quality control is there. And the method that we follow does meet these same requirements. [LB19]

SENATOR KOLTERMAN: But at the present time, Midwest Laboratories, as an example, is not a certified provider in the state of Nebraska? [LB19]

JERRY KING: We are certified to analyze coliform bacteria only. And we have an agreement with the state to analyze coliform bacteria only. We would like to expand that to other areas in the potable water system. [LB19]

SENATOR KOLTERMAN: Okay. Thank you. [LB19]

JERRY KING: You're welcome. [LB19]

SENATOR CAMPBELL: Senator Riepe. [LB19]

SENATOR RIEPE: Thank you, Senator Campbell. Do we...are we able to maintain the standards? Obviously if it's centralized, you know, you have one standard statewide. If we, you know, distribute this across the state to a variety of local labs, do we end up...we're going to have to administer to make sure that we have full compliance to those various standards. The other concern that I have is with privatization oftentimes, you know, we had services but we never reduced state employees that were doing the work in the past so we end up...when it's all said and done, we end up with a higher cost. If you can find a question in there, go for it. (Laughter) [LB19]

JERRY KING: Okay. I did not find a question in that, no. I think I understand what you are saying. The biggest thing is with certification. And the current LB19 still maintains that certification, still the oversight of the state laboratory, because we have no problems with the state laboratory coming in and doing it...well, maybe refrain...I'll talk a little bit about that later on. We have no problem with the state coming in or any outside entity coming in and auditing our facility and our processes and how we do things. The difficulty that I encounter there is, the

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organization that's doing the certification and the auditing is also competing with us. So in effect, it is not a fair playing field. They could bring up points that are basically minutia or something that's not related to that because they are competing with us for those same samples. [LB19]

SENATOR RIEPE: Absolutely. Thank you. [LB19]

SENATOR CAMPBELL: Dr. King, how many certified laboratories are there in the state? [LB19]

JERRY KING: Right now I believe that...I believe there are two certified laboratories in the state. And there are other ones that potentially could be certified, but they opt not for the certification because it is no financial advantage for them to do that. [LB19]

SENATOR CAMPBELL: Okay. [LB19]

JERRY KING: And the biggest reason is, they...if they have to analyze those samples and all samples like that, they want to make sure that they are not jeopardizing their current analytical capabilities. And I'll let them speak to that effect. [LB19]

SENATOR CAMPBELL: Okay. So there's two. Yourself, or Midwest. [LB19]

JERRY KING: Right. And Ward Laboratories is the other one, I believe. Ward Laboratories out of Kearney, Nebraska. [LB19]

SENATOR CAMPBELL: Oh, Kearney. Okay. Is it difficult to become a certified laboratory? [LB19]

JERRY KING: Could you explain about...what do you mean, talk about becoming certified? [LB19]

SENATOR CAMPBELL: Is it a long process? Is it detailed? I guess I'm understanding that, you know, that they're not going to go into it unless they really are going to have enough business to do. [LB19]

JERRY KING: Right. [LB19]

SENATOR CAMPBELL: But how long does it take to be certified, that general nature? [LB19]

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JERRY KING: It takes...for a laboratory like Midwest Labs, it takes a considerable amount of time and effort and commitment from management to become certified... [LB19]

SENATOR CAMPBELL: Okay. [LB19]

JERRY KING: ...because we have to produce the instrumentation, get the check samples, train the people, do the standard procedures, get the instrumentation. So it is an expensive proposal. I'm guessing that...now we're...Midwest Laboratories is certified by a number of national organizations, and I would guess that we pay \$200,000 to \$300,000 a year for certification costs. It is expensive. [LB19]

SENATOR CAMPBELL: And would the facility in Kearney be paying that amount of money also to be certified? [LB19]

JERRY KING: I would say not because they are not as big as we are. They're not as extensive as we are. But they would be paying a...basically an equivalent amount from the percentage of their overhead, yes. [LB19]

SENATOR CAMPBELL: In order to do the kind of testing that's there, I mean, you're already ready to do that. [LB19]

JERRY KING: Correct. [LB19]

SENATOR CAMPBELL: You could do that day one. How long would it take local laboratories in the state to be certified--let's say that was a requirement, they have to be certified--and get them, you know, time up to speed? What are we talking about there? [LB19]

JERRY KING: It would depend upon what they are opting for certification. I am guessing if they would look for nitrate--that is going to be the biggest one--and possibly some of the metals, they could be ready to be certified in one to two months. Most of them have the instrumentation and the capabilities already present. [LB19]

SENATOR CAMPBELL: Okay. How many other states across our country allow private certified laboratories to do what you are suggesting in LB19? [LB19]

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JERRY KING: I don't know the exact count but I would guess the majority of them. Like, Kansas would have that. Iowa would have that. Minnesota would have that. Colorado would have that. [LB19]

SENATOR CAMPBELL: Okay. And I want to go back to Senator Kolterman's, and mine is not a question but it is a comment. Our family business, nursery and garden center is outside the city limits so, therefore, our water was on wells. And because our customers came into the garden center, we were expected to test because we had a public source. Does that help, Senator Kolterman? I mean, businesses are affected by having to comply. [LB19]

SENATOR KOLTERMAN: Actually, Senator Campbell, where I was going was, if a homeowner buys...somebody is buying a house, a lot of times it's a prerequisite of the lender to have the water tested. And I'm not sure that doesn't have some federal implications with it under the Water Quality Acts, but... [LB19]

JERRY KING: It...I'll answer that in a couple of ways there. First of all, since that is not a public water supply, they don't fall under the jurisdiction of a public water supply, but the question that comes in is, let's say they get a sample analyzed at Midwest Laboratories and we provide...okay, you have atrazine in your water. [LB19]

SENATOR KOLTERMAN: All right. [LB19]

JERRY KING: Okay? And the first question that they will ask: Are you a certified laboratory? And right now we say, no, we are not a certified laboratory for that. And that automatically precludes that our results, our data, is not defensible. And that is the biggest issue right there. Our data is defensible. It is accurate. It is precise. But it doesn't say EPA 507 and we do not say we are a Nebraska-certified laboratory. [LB19]

SENATOR CAMPBELL: Okay. Senator Kolterman. [LB19]

SENATOR KOLTERMAN: And that's actually where I was going. [LB19]

SENATOR CAMPBELL: Okay. [LB19]

SENATOR KOLTERMAN: I wanted to make sure that if they...if we made them certified and it gave them the ability to do this, they could fill that void and it created the competition that needs to be created in this state, because right now we only have one. [LB19]

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SENATOR CAMPBELL: Okay. [LB19]

SENATOR KOLTERMAN: Thank you. [LB19]

SENATOR CAMPBELL: Senator Crawford. [LB19]

SENATOR CRAWFORD: Thank you. I wanted to come back to that...the question about certification or accreditation. So the bill indicates that the director would be able to list accreditation bodies, public agencies, or programs that might be accepted as evidence that you meet standards for certification. [LB19]

JERRY KING: Correct. [LB19]

SENATOR CRAWFORD: And is there a well-established national accrediting body or some other well-established entity? [LB19]

JERRY KING: Yes, there's an accreditation program called NELAC, the National Environmental Laboratory Accreditation Program. They do certify private laboratories for drinking water compliance. And the state of Nebraska does recognize entities outside of Nebraska for NELAC. So if you're a NELAC-certified laboratory for drinking water, they will accept that certification. But since we are an in-state Nebraska laboratory, we do not...we fall outside of that jurisdiction, our capabilities. [LB19]

SENATOR CRAWFORD: Can you give me an example of how we recognize that for someone out of state? What does that look like? [LB19]

JERRY KING: Well, I...for an example, the University of Iowa, the hygienic laboratory, they are a NELAC laboratory. And the state of Nebraska recognizes them as a drinking water...they are a certified by the state of Nebraska drinking water program for doing potable water samples in the state of Nebraska because of the NELAC accreditation, and... [LB19]

SENATOR CRAWFORD: Are you...is your laboratory currently NELAC certified? [LB19]

JERRY KING: We are NELAC certified but we are not NELAC certified in the category of potable water. We do wastewater, solid wastes. [LB19]

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SENATOR CRAWFORD: Okay. And is that because it doesn't benefit you in this state because that's not recognized? [LB19]

JERRY KING: That is correct. And in effect, if we were to try to analyze a sample, use that certification in the state of Nebraska, we could not do that. We have to be certified through the Health and Human Services Department. [LB19]

SENATOR CRAWFORD: So coming back to Senator Campbell's question about how long it would take entities to get up and running, when you answered that question, did you have NELAC or something like that in mind? It would take about one to two months for... [LB19]

JERRY KING: It would be going through...directly through the Health and Human Services, because they have the capability of doing that already. Let's say, for example, all of the other laboratories that are involved in the development of this LB19 do have this capability ready especially for the nitrates. That's one of the biggest ones that they're concerned about. [LB19]

SENATOR CRAWFORD: But they could probably get NELAC certified in one to two months? [LB19]

JERRY KING: I would doubt if...and chances are, they would not want to get NELAC certified just for that one parameter. [LB19]

SENATOR CRAWFORD: Okay. [LB19]

JERRY KING: It would not be cost-effective for them. [LB19]

SENATOR CRAWFORD: Okay. Okay. Is there some other well-established certification for that one parameter? [LB19]

JERRY KING: There would be ones, like, through ISO 17025. But in most cases, drinking water programs do not recognize ISO 17025 as an entity. The NELAC would be the only one or unless you have reciprocity with other states, that could be another possibility. [LB19]

SENATOR CRAWFORD: So there still would be a role for us to establish, the department to establish some criteria. [LB19]

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JERRY KING: Correct. Correct. But the biggest thing here, too, is that just because we have the certification, it's also the ability to analyze the samples. That's the second part of that. That's the most important. [LB19]

SENATOR CRAWFORD: I hear you. Thank you. [LB19]

SENATOR CAMPBELL: Senator Riepe. [LB19]

SENATOR RIEPE: Senator Campbell, thank you. My question is this, is are you aware of...what is the pent-up demand? I mean, are we behind in the testing of...running these tests? Is this why we need more capacity? [LB19]

JERRY KING: I would say no. I don't think we're running behind on that. It is the availability of these services and possibly to expand the services. Basically, when you have compliance samples that are required, you are going to do the minimum. You're just going to be what that permit requires. If this option to allow other laboratories to do that at a cost savings, you may test more to make sure that your water supply is safe, getting away from just those compliance samples. [LB19]

SENATOR RIEPE: And that extra cost would be paid for by... [LB19]

JERRY KING: It would be paid for by the municipality. [LB19]

SENATOR RIEPE: Okay. [LB19]

JERRY KING: So, for example, and I'll use the one here for that...the volatile organics, okay, where the state charges \$235. We charge \$95. So a municipality could send in four samples, get four kinds of results, for the same amount of money. [LB19]

SENATOR RIEPE: Okay. Thank you. [LB19]

SENATOR CAMPBELL: Any other questions? Thank you, Dr. King, very much. Our next proponent. Anyone else? Okay. We'll move to opponents to the bill. Good afternoon again. [LB19]

JOSEPH ACIERNO: (Exhibit 2) Good afternoon again, Senator Campbell, members of the Health and Human Services Committee. My name is Dr. Joseph Acierno. That's J-o-s-e-p-h A-c-

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i-e-r-n-o. I'm the Chief Medical Officer/Director of Division of Public Health, Nebraska Department of Health and Human Services. I'm testifying on behalf of the department in opposition to LB19. I'd just like to note that my staff did try to get more information from the senator's office to learn the genesis of the bill and was suggested that we review the statement of intent. I feel the lab does a very good job, our state lab, and that's why I have to respectfully oppose the bill as drafted. LB19 requires the Public Health Environmental Laboratory certify other laboratories. This is unnecessary since the laboratory currently will certify any laboratory that meets regulatory requirements for certification purposes, testing of drinking water. Section 1 of the bill amends Nebraska's Safe Drinking Water Act, one, to allow the testing performed on noncompliance water samples need not be performed by the same method as compliance samples. While on the surface this seems innocuous enough, this will affect both public water systems and private water systems. For example, if a public water system sends their samples to a laboratory that switches methods, the certified method for compliance testing and a noncertified method for the noncompliance testing, the public water system may have little assurance of the quality of the results, since the methods chosen for noncompliance may not be a certified method. The same would be true for private well owners that send their samples to this laboratory. Our experience with laboratories that use noncertified methods is that they use shortcuts, cutting back on quality control and proficiency testing. This allows them to offer a cheaper price for the test, but they have cut quality to do it. Two, it requires the director to certify and enter into authorization agreements with laboratories to perform tests on drinking water for compliance and monitoring. This will include all analytes required for compliance. Currently, all compliance testing is performed by the DHHS Public Health Environmental Lab, with the exception of one test other labs are permitted to do--coliform. Six certified lab--there are six certified laboratories in Nebraska in addition to DHHS--perform coliform testing for compliance testing, due to the short holding times for samples for coliform testing. The decision to have all compliance testing performed at the DHHS Public Health Environmental Lab was made to maintain capacity in the state of Nebraska at a reasonable cost. Allowing compliance testing to be performed by outside certified labs will, in all likelihood, leave the DHHS lab with only one...with only the more specialized and expensive testing. This will require the raising of fees for these tests. A good deal of testing capacity may move out of the state of Nebraska, since there is currently not enough testing capacity for drinking water in the state except in the DHHS Public Health Environmental Laboratory. LB19 will have significant effect on the state's public water system. The state has approximately 1,300 public water systems. Customer service and technical assistance are the primary foci of the Public Health Environmental Laboratory and drinking water program. These programs provide the electronic scheduling of required water sample events between drinking water program and the lab, automated sending of sample kits by the lab to the public water system, the electronic transmission of laboratory results to the public water system and the drinking water program. In those situations where other laboratories are performing compliance testing, the automatic scheduling and sending of sample kits is not available to the public water system. The public water system is then responsible for tracking

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and scheduling all testing or requesting sample kits with the testing laboratory. Currently, the testing lab is required to call in any positive coliform. The results are sent electronically weekly to the drinking water program. This eliminates part of the service we now are able to provide. We believe the system in place...presently in place best serves the public water systems and private well owners in Nebraska, a quality product, a reasonable price, and customer service that is specialized for each system. For each of the reasons, the department respectfully opposes the bill and asks that LB19 not be advanced by the committee. I'll answer any questions. [LB19]

SENATOR CAMPBELL: Questions? Senator Riepe. [LB19]

SENATOR RIEPE: I have a question. [LB19]

JOSEPH ACIERNO: Sure. [LB19]

SENATOR RIEPE: That is, is it your concern that there would be cherry-picking; that a private lab would leave you with the low-profit or no-profit kinds of services that you would continue to have to maintain staff for? [LB19]

JOSEPH ACIERNO: Sure. We would. We'd still have to maintain the lab, without question, because all these labs aren't going to want to do all this testing. And you've heard about nitrates and that's the one that I think other labs may be interested in. But when we have even looked at a similar issue regarding fees and how the state is structured, we looked, there's not enough labs. Much...we don't have the infrastructure in the state that would want to do all the testing. So, yes, to answer your question, there may very well be cherry-picking certain testing off and then leaving the state with whatever. But it's still going to require our running a laboratory with all the same equipment. We're still going to need staff. To maintain the lab and its overhead, whatever is left, that by definition the fees are going to have to go up because we're going to just be doing a lot less work. So, yes, to answer your question. I think the customer service is a big issue we have. They rely on us to get all this out to them. It's a pretty fine network moving out. And I think we've done a good job with it over the years. And we're not there to make money on this. Our fees are based on formula. It's all regulatory, our costs. And so it's all built into the fees how we do it and it's...we are not making money on it. We're not allowed to. (Laughter) [LB19]

SENATOR CAMPBELL: Dr. Acierno, you said it's all regulatory... [LB19]

JOSEPH ACIERNO: Uh-huh. [LB19]

SENATOR CAMPBELL: ...as to how you set fees. Regulation by...? [LB19]

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JOSEPH ACIERNO: Well, it's regulation within the department that we have. It's rules and regulation sets up how we...the mathematical formula as far as the fee structure and raising it and the power to raise it, how we do that. There are so many different things that...menu of tests that we're doing. I mean it's quite impressive actually. The lab isn't very big but it does a lot of work, does a great job. [LB19]

SENATOR CAMPBELL: So under the rules and regulations that the department has, and I'm making the assumption that at some point you had a public hearing on those rules and regs. Would that be accurate? [LB19]

JOSEPH ACIERNO: Yeah, that is true and that...some of that would predate me, I think. We haven't...that set of regs, as far as fee, has not been revised in my tenure. [LB19]

SENATOR CAMPBELL: Okay. [LB19]

JOSEPH ACIERNO: So, yes, but it would have gone through the typical regulatory process, which is a public hearing. So every...anybody, any municipality would be able to speak up regarding that issue. [LB19]

SENATOR CAMPBELL: So it lays out how the regulations are set as to the fee. [LB19]

JOSEPH ACIERNO: Yes. Yeah, how we come to conclusions. It's not at random. We go through a mathematical formula to determine the fees. [LB19]

SENATOR CAMPBELL: So why would there be such a discrepancy between \$237 and \$95? [LB19]

JOSEPH ACIERNO: I don't know the basis of that. I don't know what Midwest Lab is doing so I think that's an unfair...I have...I can't compare apples to apples. [LB19]

SENATOR CAMPBELL: Okay. [LB19]

JOSEPH ACIERNO: I don't know. [LB19]

SENATOR CAMPBELL: Might they be doing more quantity of...the volume makes up for it? [LB19]

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JOSEPH ACIERNO: I... [LB19]

SENATOR CAMPBELL: I need to read. [LB19]

JOSEPH ACIERNO: ...really don't know and, really, that would be unfair of me to make an assumption for Midwest Lab. [LB19]

SENATOR CAMPBELL: Okay. Okay. And we probably...I need to take time to really study Dr. King's testimony because he may have answered that in his testimony. Other questions from the senators for Dr. Acierno? How long has the state laboratory been in existence? Do you know that, Dr. Acierno,... [LB19]

JOSEPH ACIERNO: Oh my gosh. [LB19]

SENATOR CAMPBELL: ...and doing this testing? [LB19]

JOSEPH ACIERNO: I don't know but it's been many, many years, because we, you know, when you look at it, we also have the regulatory portion of this. So the lab is enfolded into the regulatory part of public...of the public water systems to make sure, obviously, the quality throughout the state. So it's been years and years. You're going back to state...well, with the Safe Drinking Water Act and primacy of the state, you're probably, I'm just guessing, back into the '70s probably... [LB19]

SENATOR CAMPBELL: Okay. [LB19]

JOSEPH ACIERNO: ...when a lot of coming together in how we were going to be testing and the arm of the EPA, all those types of things, when policy came together of what the goals of the state were with public drinking water. I believe it's probably around that. [LB19]

SENATOR CAMPBELL: And on a lighter note, since it's Friday afternoon, the myth in my office is that the reason I have such high ceilings is because it was once the state laboratory. (Laughter) So I don't know, Dr. Acierno. Maybe it dates back, maybe... [LB19]

JOSEPH ACIERNO: I don't know. [LB19]

SENATOR CAMPBELL: ...a long time. [LB19]

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JOSEPH ACIERNO: I don't know. I only know the one we have now down the street, so that's the... [LB19]

SENATOR CAMPBELL: Okay. Senator Crawford, do you have a follow-up question? [LB19]

SENATOR CRAWFORD: Yeah, just a question. So we hear quite a bit about nitrates in rural water. Is there any initiative around the lab, your work with the lab, to make any updates or improvements or any other initiatives to address that issue? [LB19]

JOSEPH ACIERNO: You mean nitrates generally? [LB19]

SENATOR CRAWFORD: Right, in water. [LB19]

JOSEPH ACIERNO: Yeah, I think that's a bigger issue outside of public health as well. I think that that's just a bigger issue, nitrates in water. Obviously, being an agricultural state and things like that, that's a much bigger issue that I don't have an answer to, but... [LB19]

SENATOR CRAWFORD: But this would just make sure that the tests are testing for sure. [LB19]

JOSEPH ACIERNO: Well, exactly, because we're testing for nitrates. We're testing it. We're not setting the policy on what should happen... [LB19]

SENATOR CRAWFORD: No. [LB19]

JOSEPH ACIERNO: ...as far as nitrates being in that supply. We're actually testing that it's there. [LB19]

SENATOR CRAWFORD: I didn't mean that, yeah. [LB19]

JOSEPH ACIERNO: Yeah. [LB19]

SENATOR CRAWFORD: Yes. [LB19]

SENATOR CAMPBELL: You know, it's an interesting follow-up to that because on the Planning Committee for the Legislature, we had several briefings on water and nitrates... [LB19]

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JOSEPH ACIERNO: Uh-huh. [LB19]

SENATOR CAMPBELL: ...and issues across the state of Nebraska and whether we ought to do somewhat of a population health question, Dr. Acierno. [LB19]

JOSEPH ACIERNO: Uh-huh. [LB19]

SENATOR CAMPBELL: The state Planning Committee went, should we be doing something to look into the future. And that goes directly at Senator Crawford's question. It's a policy question as to what... [LB19]

JOSEPH ACIERNO: It is. [LB19]

SENATOR CAMPBELL: ...we ought to be doing if we are seeing pockets of this across the state. [LB19]

JOSEPH ACIERNO: Yeah. Yes. [LB19]

SENATOR CAMPBELL: So very fascinating research by the university. [LB19]

JOSEPH ACIERNO: It is. It's a huge subject. [LB19]

SENATOR CAMPBELL: Thank you, Dr. Acierno. [LB19]

JOSEPH ACIERNO: Uh-huh. Am I excused? [LB19]

SENATOR CAMPBELL: Absolutely. (Laughter) Thank you. [LB19]

JOSEPH ACIERNO: Thank you. [LB19]

SENATOR CAMPBELL: This probably will be the last time we'll see you this week. [LB19]

JOSEPH ACIERNO: This is true, unless you're coming in tomorrow and I don't plan on being here. [LB19]

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SENATOR CAMPBELL: For the audience, Dr. Acierno has been here almost every day on a bill, so. Our next opponent? Okay. Senator Krist, we are to you. Oh, I'm sorry. Neutral? It's a good thing that I have people paying attention here. You can tell it's Friday. [LB19]

SENATOR KRIST: Okay. For the record, there are laboratories located in McCook, Scottsbluff, Kearney, Hastings, Lincoln, and Omaha. So the proximity to get a test done would be much better if we were able to certify laboratories in other areas such as the ones I just told you about. There are two certified. One is Midwest and one is Ward. Midwest in Omaha. Kearney is Ward. Every one of them came into my office when they brought this to me. Every one of them would like to see expanded capabilities in laboratories out there. Every one of them said they could do business outside of the state of Nebraska as well as inside with that additional certification. So it's not just about capacity in Nebraska. It's about growing businesses in Nebraska and getting customers closer to their laboratories. Second, most of you know I built a new house. I called the laboratory at the state and I said, I'd like to test my water. Oh, you're on the Omaha water system, they said, you don't need to do that. And I said, no, I want to test my water. How do I do that? I talked to not just anybody. I talked to somebody in the lab who professed to know what he was talking about and he said, you know, don't waste your money. I wanted a laboratory test done. You can get it done by Midwest at half the cost and it's going to tell you the same thing as if you send it to the lab down here. Okay. Food for thought. Next, and I don't really know how to...well, I'll skip over that for just a second. Senator Riepe asked a question about not seeing a reduction in staffing based upon privatization and outsourcing. You'll note in the fiscal note that it's noted: Some revenue of conducting safe water tests would be...shift to the private laboratories. The reduction is estimated to be \$100,000 in fiscal year '17. So they'd see a \$100,000 savings. The department would need to reduce expenses in future years to accommodate the reduction in revenue; \$100,000 is not probably a manpower reduction. It's probably some other kind of issue. But that's for them to decide. Dr. Acierno made a couple of comments that are now on the record. One of them is that these laboratories are probably doing this because they're cutting corners. I'm not sure that the Chief Medical Officer for the state of Nebraska should be calling out the laboratories that are doing tests in the state of Nebraska no matter what they're doing. So I would ask him to reexamine that, and I think that's a matter of public record. And the last thing I'd like to say is in defense of my staff. I need to find out who Dr. Acierno has talked to in my office, because if they told him to read the fiscal note or read the committee statement or read anything, that was a disservice, but I will follow that to the ground and make sure that that is either true or not true. But that is also a matter of public record that I'll get back to this committee and let them know. With that, I thank you for your time this afternoon. Happy Friday and I'll answer any questions you have. [LB19]

SENATOR CAMPBELL: Senator Krist, I just want to make sure my notes are correct. You said McCook, North Platte, Kearney, Omaha, Lincoln, and... [LB19]

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SENATOR KRIST: Hastings. [LB19]

SENATOR CAMPBELL: Hastings. [LB19]

SENATOR KRIST: And the two that are certified is Ward in Kearney and Midwest in Omaha. [LB19]

SENATOR CAMPBELL: I got that. Thank you. Thank you very much, Senator Krist. [LB19]

SENATOR KRIST: Thank you. [LB19]

SENATOR CAMPBELL: That closes our public hearing on LB19. And we will move to our next public hearing with Senator Crawford. By mid-March I'm going to have this down. Really, I am. (Laughter) Brennen, while we're waiting just a minute, remind us, when is the last day of hearings? [LB19]

BRENNEN MILLER: March 20. [LB19]

SENATOR CAMPBELL: March 20, okay. Our schedule at this point would get us done before March 20. And in fact, next Thursday, if we have time, we'll kind of go through for the committee the full schedule so you can have some idea what's coming. Senator Crawford, welcome. [LB19]

SENATOR CRAWFORD: Thank you. Thank you. [LB148]

SENATOR CAMPBELL: We will proceed to your hearing today on LB148 which is to provide for medical assistance program coverage for certain youth formerly in foster care. So go right ahead. [LB148]

SENATOR CRAWFORD: Thank you. Good afternoon, Chairwoman Campbell and fellow members of the Health and Human Services Committee. My name is Sue Crawford, S-u-e C-r-a-w-f-o-r-d, and I represent the 45th Legislative District of Bellevue, Offutt, and eastern Sarpy County. LB148 is the result of LR533, an interim study examining issues surrounding the enrollment of former foster youth in Medicaid. On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act into law. As many of you know, the bill's provisions included a variety of pathways to insurance coverage. One pathway to coverage under the ACA is for former foster youth who reach the age of 18 years old or the age of majority without being

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adopted or obtaining reunification or legal guardianship. The state served as the legal guardian for these youth. Section 2004 of the ACA allows these youth to stay on the state's insurance plan, Medicaid, until they reach the age of 26. This pathway to insurance mirrors a similar pathway for other young adults who are eligible to remain on a legal guardian or a parent's health insurance plan until age 26. The results of our interim study this fall indicated that only 3 percent of the 3,144 eligible youth who age out of the foster care system in Nebraska are currently covered under this provision. According to the fiscal note submitted by the Department of Health and Human Services, 98 individuals, or 6 percent, of the total number of youth eligible are currently enrolled in this provision. So the good news is that we doubled (laugh) our percent enrolled. And I don't say that to be too glib. That is more youth who are covered now. All right? However, clearly there is more to be done to reach the remaining 94 percent. Some may choose not to enroll. That's entirely their choice. But I doubt that that's over 90 percent that are choosing not to enroll. LB148 requires the department to conduct outreach to foster care alumni, especially those who have aged out of the foster care system a few years ago, to make sure they know about the program and how to enroll. LB148 also includes several streamlining provisions. These provisions ensure that former foster youth receive the healthcare they need while avoiding unnecessary application or administration costs. These youth qualify for coverage until age 26 by federal law. We should make enrolling and renewal as easy as possible. And I do want to say, again, part of why I think we've seen a doubling of our enrollment is there was a lot of effort this summer with the interim study and a lot of attention by the stakeholders to talk about how to improve the process and also just quite a bit of attention by the stakeholders in talking to the people they work with and attention in the news media to make sure more people know about this process. So we've already seen some improvements out of those efforts that were done this fall. And I appreciate the stakeholders' and the division's work in making those improvements already this fall. But there's still more that we can do to streamline the process and conduct outreach to get more of those youth covered. LB148 also requires the Department of Health and Human Services to submit a state plan amendment or waiver to provide coverage for former foster youth who age out of foster care in another state and later move to Nebraska. At least 12 states provide this coverage including neighboring South Dakota. Under the bill, youth from another state can enroll based on self-attestation that they were a foster youth in another state. The self-attestation process would only apply to out-of-state youth. This is allowable under federal regulation 42 CFR 435.945, however you say that in federal "regulationese." (Laugh) The federal regulation provides the department with flexibility to create a verification process that works for Nebraska. States that cover out-of-state young adults may verify eligibility by contacting the other state to verify that the young adult was in foster care in that state and was enrolled in Medicaid. The logic here is that the state of Nebraska should be able to quickly determine if a youth from Nebraska was in our system, but it may take longer to get that information for an out-of-state youth. So self-attestation allows the youth to be enrolled while we check to see if that person was actually a youth in another state. And the language does not say what that verification has to look like. That would be to the discretion of the department to

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identify a verification process. The federal statutes give them that flexibility to have a verification process. Because verification would be required, the agency's fiscal note is incorrect to assume that any individual could move to Nebraska and claim that he or she was in foster care and stay enrolled. So we had a discussion with Director Vineyard yesterday to clarify this. So a future fiscal note or a fiscal note clarification should help address that misunderstanding. There is an expectation of verification. Furthermore, the number of youth enrolled in this coverage is likely to be quite low. For example, Pennsylvania, a state with a population almost six times the size of Nebraska and double the number of children in foster care, reports no former foster youth have enrolled under this category yet. Similarly, New York and California do not track this category because their numbers are so small. As we are discussing the fiscal note, let me raise another critical issue: The department's fiscal note includes funding estimates for the cost of covering all eligible young adults in Nebraska. Now, this can be found on page 2 of the fiscal note. Coverage under this category, former foster youth in Nebraska, is already required by federal law and the DHHS is already required to transition foster youth to FFC coverage when they lose eligibility for IV-E coverage when they age out. So the costs of covering all of those children in Nebraska should not be attributed to LB148 and should not be a part of the fiscal note for this bill. Our own fiscal analyst, Liz Hruska, recognized this, which is a key reason that the Legislative Fiscal Office note is much lower than the department's note. The legislative fiscal note assumes 80 out-of-state youth would be enrolled. This number comes from the department estimate, really, I think, based on the incorrect assumption--which we have clarified since then--about attestation that I've already discussed. And given the experience in other states, we'd expect that number to be much lower than 80, so the cost will be much lower. Under our current Medicaid program, we allow for some sort of self-attestation for residency, household composition, and pregnancy. Again, federal regulations allow the department to establish self-attestation and a verification process for former foster youth that works well for us here in Nebraska. In California, youth complete a simplified form and counties verify that information within 30 days of enrollment. Insurance coverage for this population is very important for a variety of reasons not least of which is that former foster youth are more likely than their peers to suffer from a chronic physical or mental health condition. According to a 2012 report by the Congressional Research Office (sic), 35 to 60 percent of foster children enter the child welfare system with at least one chronic or physical condition while anywhere from 50 to 75 percent of these youths are in need of mental health treatment. Former foster youth are also twice as likely to have a child in their household by age 21. Without consistent access to treatment, these youth are more likely to need crisis response service or utilize the emergency room for treatment. Or as we've seen in other studies, if they don't have appropriate mental healthcare, they may end up in our justice system. If they end up in the emergency room for treatment, that is obviously not the appropriate level of care for the young person in many cases and is much more costly to the community. With that, I'm happy to answer any questions you have now or I'm also happy to answer questions at closing if you prefer or both. [LB148]

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SENATOR CAMPBELL: Senator Riepe. [LB148]

SENATOR RIEPE: I would like to ask a question to kind of get it out front here. I noticed in the fiscal note that it talks about \$153,000 and then \$182,000 in two subsequent fiscal years and on the following sheet it talks about \$1.9 million and \$2.5 million. Now, I assume that the difference there is the federal participation in this. [LB148]

SENATOR CRAWFORD: No, actually, as I spoke earlier, there were...the department's fiscal note was including the cost of covering all youth in Nebraska. And the...that cost is already required under other laws and statutes. So when Liz did the fiscal note, her analysis said you shouldn't include that cost, because that's not the cost of LB148. That's the cost of other law that's already been passed. [LB148]

SENATOR RIEPE: Okay. [LB148]

SENATOR CRAWFORD: So that's the difference. [LB148]

SENATOR RIEPE: My concern also gets to be putting anything on the books in the way of law when the Affordable Care Act is going to come up with the Supreme Court to say, can the federal exchanges fund the Affordable Care Act if you're not a state exchange? That decision won't come until the middle of June. I don't want to put something on the books and in the form of a law that then we would come back as a state and have to fund it which would be beyond our capacity. [LB148]

SENATOR CRAWFORD: I hear you in terms of the...if this bill was about something related to the exchange. But this bill is another provision that's really about allowing people to stay on coverage until age 26 which has not been terribly controversial. So if there are...if a portion of the Affordable Care Act gets overturned or if a portion gets reconsidered, I would not expect this portion of the Affordable Care Act to be vulnerable to either of those. [LB148]

SENATOR RIEPE: But the whole thing--excuse me--it's the blood in the body, the funds, the financing of it, if the financing, all of it, falls apart. [LB148]

SENATOR CRAWFORD: But the...okay. I don't think that that is as much of an issue for this age 26 provision. But we may have a difference of opinion there. [LB148]

SENATOR RIEPE: We might. Okay. Thank you. [LB148]

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SENATOR CAMPBELL: Senator Howard. [LB148]

SENATOR HOWARD: Thank you, Senator Campbell. Thank you, Senator Crawford. I was...I'm looking for just a clarification. So as I'm reading through the bill, does the former foster youth have to age out in a foster care setting? Or could they be in an adoptive placement or a voluntary placement or a guardianship placement? Or is it that they were a foster youth when they were 7 and now they're 24 and they're not eligible for any dependent coverage and they would be able to access this type of coverage? [LB148]

SENATOR CRAWFORD: That's a very good question that we discussed in detail in interim study, but sitting right here, I'm not thinking of the correct answer for that. So I will definitely get that information to you and to the committee and perhaps someone behind me might have the correct answer too. I just don't want to say that incorrectly on the record. [LB148]

SENATOR HOWARD: Thank you. [LB148]

SENATOR CAMPBELL: Somehow the audience...someone is not nodding. We thought that...sometimes I can read out there (laughter) the answer to the question, because someone is going, you know, I know the answer to that question and dah dah dah dah, this is it. [LB148]

SENATOR CRAWFORD: Right. Right. And we spent a great deal of time discussing that. [LB148]

SENATOR HOWARD: Right. [LB148]

SENATOR CRAWFORD: And so I just...Friday afternoon. It just, like, left my memory bank. [LB148]

SENATOR HOWARD: Right. I know it's an issue. I just wasn't sure. Yeah. Okay. [LB148]

SENATOR CRAWFORD: So I apologize. [LB148]

SENATOR HOWARD: Thank you. [LB148]

SENATOR CAMPBELL: For as much time as a number of us have spent on questions with regard to child welfare and foster care and the ACA, I know at one point it was...the way we looked at the federal register was that the person had to be in foster care aging out in order to

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continue. I see a few heads nodding there. The question that I think was posed early was, at what age do we consider the aging out? And that's what the department clarified. [LB148]

SENATOR CRAWFORD: Right. That's right. That's correct. [LB148]

SENATOR CAMPBELL: Okay? And one of the questions that I'm not clear about...I feel confident that that's what the federal register looked at, but what does that mean in terms of adoption or guardianship? And that I don't know the answer to. Senator Baker. [LB148]

SENATOR BAKER: Thank you, Senator Campbell. Senator Howard, I'm looking at the bill, page 7, line 5--that's Section 4--there actually...it says: department shall provide medical assistance to individuals under 26 years of age who are current Nebraska residents and who were in foster care and enrolled in Medicaid in any state or territory, etcetera, etcetera, etcetera, on the date of attaining 18 years of age. Does that answer the question? [LB148]

SENATOR HOWARD: Well, in a way it does although there are a variety of placements that are still considered foster care placements that allow you to be eligible for Medicaid. So the question was more about what type of placement. And then if it's a type of placement where you're eligible for Medicaid, would you be able to continue to...would you fall into this category? Or if you're ineligible for Medicaid but you're still considered a ward of the state, would you be able to access this type of coverage? [LB148]

SENATOR CRAWFORD: And if someone behind me doesn't answer it, I may be able to tell you that answer by closing maybe. And if not, I definitely will get you the information after that. Thank you. [LB148]

SENATOR HOWARD: Thank you. [LB148]

SENATOR CAMPBELL: I think it's safe to say that if you were in foster care from age two to four and then either returned to your home placement or were adopted or lived with kin--maybe kinship would count--definitely if you go back home...just the fact that you were ever in for that period of time do not think qualifies you. [LB148]

SENATOR HOWARD: Right. [LB148]

SENATOR CRAWFORD: Correct. Correct. You'd have to be in the system. Yeah. Yeah. [LB148]

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SENATOR CAMPBELL: I think there has to be an age at the age you are leaving. But we need to figure out the particular placements I think. [LB148]

SENATOR CRAWFORD: Right. [LB148]

SENATOR CAMPBELL: Senator Howard has put the right word on it. [LB148]

SENATOR CRAWFORD: Right. It's the placement. You have to be in the system. [LB148]

SENATOR CAMPBELL: Senator Baker. [LB148]

SENATOR BAKER: Have you...Senator Crawford, as you read the bill on page 7 when it says you must be in foster care at age 18, would that not answer the question? [LB148]

SENATOR CRAWFORD: It does answer the question that you must be in foster care at the age 18. Technically, there are different kinds of placement still all considered foster care. I think that's what Senator Howard was asking about, a couple of those, so I will see if I can clarify in closing if someone else doesn't clarify it. And if not, I will definitely clarify that. So, yes, Senator Baker, it is for those people who are in foster care of some kind at the age of 18, so someone who was adopted at age 10, this is not appropriate. This is someone who was in that system when they're 18 in some way in some kind of placement. [LB148]

SENATOR CAMPBELL: I believe the audience has the answers to those questions... (laughter) [LB148]

SENATOR CRAWFORD: I think so. [LB148]

SENATOR CAMPBELL: ...because they're all very confident and eager to get up here. I can tell. [LB148]

SENATOR CRAWFORD: If it were in a classroom, they'd be raising their hand. (Laugh) [LB148]

SENATOR CAMPBELL: Yeah, please, please, call on me. [LB148]

SENATOR BAKER: I know! I know! [LB148]

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SENATOR CAMPBELL: Senator Kolterman. [LB148]

SENATOR KOLTERMAN: Senator Crawford, this is just a question, and it kind of dovetails off of Senator Riepe's question. This bill that you brought to us, was this designed for the states by the Medicaid expansion program that was put into place several years ago? [LB148]

SENATOR CRAWFORD: This is different than Medicaid expansion. This is a different component of the bill. This is the part of the bill that is related to keeping youth on a parents' insurance plan. This...that is allowed for those youth who have parents who have insurance. They're allowed to stay on their parents' plan until 26. So this is a provision that provides a similar protection for foster youth, because their parent is the state. So this is different than the provision...than what we usually talk about as Medicaid expansion which is the choice of states whether to expand who qualifies in terms of the poverty level and expanding it to childless adults and those things. This is a different part of the Affordable Care Act and it's specifically to address the issue that for foster youth, their parent is the state. And so we are already required by law to cover the children in Nebraska for whom we were the parent until age 26. That's already required. The bill tries to streamline the process to make sure they know that and if they wish to receive that coverage they get it. The bill also says that the...right now, the federal regulation makes it optional whether the state of Nebraska will step up to cover someone who was a foster child in Iowa and then they move to Nebraska. They're still in that age. They're below 26. But it allows the state of Nebraska to say, you know, that kid was the child of Iowa but now they're in Nebraska so still your state can pick them up and cover them. So that's what the bill...that's the only new population that the bill covers, is someone who is in our state now who was a foster child in Iowa. Well, they're no longer in Iowa to get...have Iowa to keep them until they're 26. But they are now in Nebraska and we do it just like if you had your children under your healthcare plan and one of your children that's under the age of 26 got a job in Iowa. And...which we'd be sad, because we wish they would have had a job in Nebraska. But let's say they went to Iowa, all right? And they're still under age 26. They would still be covered by your insurance if they were under your plan even though they crossed the state line. So this provides a similar logic for former foster youth to allow them to continue to have coverage, even though they've crossed a state line, while they're still under the age of 26. It isn't...so that is what this coverage is. It's different than the expansion discussion. [LB148]

SENATOR KOLTERMAN: Okay. So you're taking them from age 18 to age 26 conceivably. [LB148]

SENATOR CRAWFORD: Correct. [LB148]

SENATOR KOLTERMAN: And that's an option that's available. Where I'm getting... [LB148]

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SENATOR CRAWFORD: The only option is the... [LB148]

SENATOR KOLTERMAN: ...and just like it is, it's an option on my plan. When my children are of age and they move to Minnesota... [LB148]

SENATOR CRAWFORD: Right, right. [LB148]

SENATOR KOLTERMAN: ...they have the option to stay on my plan or they...if they get a job... [LB148]

SENATOR CRAWFORD: Yes. [LB148]

SENATOR KOLTERMAN: ...and benefits are offered then they don't get that option any longer. [LB148]

SENATOR CRAWFORD: Correct. Correct. Right. So that's the case for...so in case of our kids that are foster youth in Nebraska and stay in Nebraska, if they get a job, absolutely, if they have a better plan, if they don't want to do it, that's perfectly within their right to say they don't want to do it. [LB148]

SENATOR KOLTERMAN: Okay. But my... [LB148]

SENATOR CRAWFORD: And the option...the only option we have is that we...right now, the regulation says that whether we choose to cover that Iowa child who moves into our state, that's the option we have as a state. The youth, though, always have the option of whether to stay on or not. [LB148]

SENATOR KOLTERMAN: Well, where I'm getting confused then is, when I look at the fiscal note, are you saying that in 2015-16 and then 2016-17, we're really only looking at \$153,000 and \$182,000 or are we looking at \$1,911,000 or \$2,523,000... [LB148]

SENATOR CRAWFORD: What I am saying is that what... [LB148]

SENATOR KOLTERMAN: ...because that's very confusing? [LB148]

SENATOR CRAWFORD: It is, and so that's what I tried to clarify. So what I am saying and what I said in my testimony, I think it will be even less than \$153,000 because that's assuming

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there's 80 of these youth which is not what other states have experienced at all. So the larger amount which is the close to \$2 million or over \$2 million amount, that amount is under the assumption that the outreach that's proposed in this bill is successful and every child in Nebraska who is...who could be eligible steps up and accepts the coverage. And then it pins it to this bill when actually, that coverage is already required under other bills. So my argument is, LB148 does not cost anywhere near \$2 million if that cost is the cost of covering these kids, because these kids are already required to be covered by other laws. So what...the fiscal note that Liz Hruska put together, that's saying, what is the cost just because we passed LB148? [LB148]

SENATOR KOLTERMAN: So... [LB148]

SENATOR CRAWFORD: And that note itself, I think, is still inflated, because it assumes 80...we'd be covering about 80 of these kids which I don't think we will. [LB148]

SENATOR KOLTERMAN: So if I hear--and I'm just trying to clarify this... [LB148]

SENATOR CRAWFORD: Yeah. [LB148]

SENATOR KOLTERMAN: ...if I hear you correctly, at the present time--let's say 2015-16--we're putting out \$924,992. That's already in the budget is what I hear you saying. And the federal government is matching that with \$986,959. [LB148]

SENATOR CRAWFORD: This...the fiscal note that you're talking about, the department put out. That would be the cost if all of those foster youth who qualified in it and plus 80 more who moved to our state were all being covered. [LB148]

SENATOR KOLTERMAN: But is it...I guess my question is, is that already in the budget? [LB148]

SENATOR CRAWFORD: Than the...I don't know for sure... [LB148]

SENATOR CAMPBELL: Well, the department had to account for it. [LB148]

SENATOR CRAWFORD: ...how much of that is in the budget. [LB148]

SENATOR KOLTERMAN: That's my... [LB148]

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SENATOR CRAWFORD: But that is still not the...that's not the fiscal cost of LB148. [LB148]

SENATOR KOLTERMAN: Well, the fiscal... [LB148]

SENATOR CRAWFORD: LB148 is the cost of outreach, streamlining, and the cost of covering people who are not in the state. The... [LB148]

SENATOR KOLTERMAN: The concern that...I don't...I didn't mean to interrupt you. I'm sorry. The concern that I have is, I'm not concerned about this fiscal note of \$153,000. I'm concerned about the \$1,911,000 and the \$2,523,000. If they're in the budget already, then this would probably be a wise thing to do to get people enrolled and to utilize. [LB148]

SENATOR CRAWFORD: Right. Right. [LB148]

SENATOR KOLTERMAN: If they're not in the budget...if that isn't in the budget currently and we're going to expand that into the budget, that brings up serious concerns to me. [LB148]

SENATOR CRAWFORD: Right. If it's not...if the budget does not assume that...the budget should already recognize the policy that we already have which is to cover those kids. [LB148]

SENATOR KOLTERMAN: And of course now...yeah. [LB148]

SENATOR CRAWFORD: So how much...what the specific amount that was put in the budget to do that, I don't...I can't give you that answer. But the budget currently should already include the cost of covering our Nebraska kids. [LB148]

SENATOR KOLTERMAN: I would like to get that clarified before we move this out of committee. That's just my suggestion, but it's... [LB148]

SENATOR CAMPBELL: Senator Baker. [LB148]

SENATOR BAKER: Yes, Senator Crawford, just to clarify, as I understand it, that this particular bill, LB148, the fiscal note here are some things that are beyond our...the control of LB148. They're going to be in the budget. And not knowing how many are going to be taking advantage of it, they're probably going to put in about \$925,000 for that first year until they see who actually used it. I mean, that would be the potential need. So if I understand you correctly, that's not tied to LB148. [LB148]

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SENATOR CRAWFORD: That is correct. That is correct. [LB148]

SENATOR BAKER: It's what we're stuck with anyhow...stuck with...I don't meant to put it that way because I understand, you know, desirability, having coverage for this population...or committed is a better word than stuck with. Okay. (Laughter) [LB148]

SENATOR CRAWFORD: There you go. Right, right. But usually...yeah. I'll just drop it there. [LB148]

SENATOR CAMPBELL: Okay. And to answer Senator Kolterman, Senator Crawford can visit with Liz Hruska. The top sheet is always from the legislative budget and Fiscal Office and I'm going to tell you in six years, this is the page I pay attention to. I have to be perfectly honest because some of the costs on page 2 should have been already in the budget. But we'll get that answer. [LB148]

SENATOR KOLTERMAN: Thank you. [LB148]

SENATOR CAMPBELL: You bet. Any other questions for Senator Crawford? Thank you. [LB148]

SENATOR CRAWFORD: Thank you. [LB148]

SENATOR CAMPBELL: All right. We will move to the first proponent for LB148 who is eager to tell us the answers (laughter) to our questions. Good afternoon. [LB148]

SARAH HELVEY: (Exhibit 1) Good afternoon. My name is Sarah Helvey, S-a-r-a-h, last name H-e-l-v-e-y. And I'm a staff attorney and director of the Child Welfare Program at Nebraska Appleseed. For the new members of the committee, Nebraska Appleseed is a nonprofit organization that fights for justice and opportunity for all Nebraskans. We do policy advocacy work on systemic issues including child welfare, immigration, healthcare, and poverty. With our testimony today we have attached two fact sheets, one with some background on this new category in Medicaid--and I'll come back to it; it does include some information on the statutory eligibility language--and a second fact sheet outlining what LB148 does. As Senator Crawford indicated, the intent of this new category for former foster care children is to put them on par with their same-aged peers who are able to stay on their parents' private insurance to age 26 under one of the most popular provisions of the Affordable Care Act. And this makes sense, because the state is legal guardian for youth and foster care. This coverage is also critical to the health of these young people in our state. Statistics show that young people with foster care

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experience are more likely to have physical health issues that require medical care and if these young people are unable to afford medical coverage, they may not receive treatment for health problems that could follow them into adulthood. And this coverage is also important to their economic security. Starting out adulthood with medical debt can create a financial hole out of which it is very difficult for young people to climb. And a new study also recently showed that providing Medicaid coverage to children is a good return on investment in terms of lifetime wages and taxes. Unfortunately, as Senator Crawford indicated, we learned this fall through LR533 that in Nebraska only 3 percent of individuals who are likely eligible for this coverage were accessing it during that time. And within six months, as Senator Crawford also indicated, that has increased but still only at 6 percent. LB148 will improve access to this coverage by reducing red tape and it will also address several barriers that were identified in LR533. Specifically, we support LB148 because it will streamline enrollment for youth as they age out of foster care so that eligible youth are transitioned over to this new Medicaid coverage as they age out of foster care without any interruption in coverage and without requiring a new application as long...unless the individual declines enrollment. And this makes sense. Young people shouldn't have to age out of foster care and go complete a new application or sit on...contact ACCESSNebraska especially because the information necessary to determine their eligibility for this new category is already in the possession of the department whether they were in foster care and receiving Medicaid when they aged out. And as Senator Crawford mentioned, this is in fact required by federal law as part of automatic processing. So I want to underscore as well that this bill simply ensures that processes are in place to comply with federal requirements to streamline enrollment so there should be no new cost to this bill for that. Similarly, LB148 specifies that the department may terminate individuals' eligibility for coverage only if the department first determines that the individual is no longer eligible for coverage under this or any other category of Medicaid and that due process requirements are met. This is already also required by state and federal law but it's important to ensure that young people are not wrongly terminated or do not experience gaps in coverage. In addition, we support LB148 because it directs Nebraska to join at least a dozen other states in providing coverage to young people who exit foster care in other states and move to Nebraska and assures these individuals are provided the same rights as other citizens of Nebraska. And advocates that we've talked to in other states that provide this coverage have indicated that the numbers of young people from other states that come in and seek to access coverage are very small. And though it's very small, the impact on the individual can be very significant. If a young person...a young person shouldn't be forced to choose between their healthcare coverage and the opportunity to see...pursue education or a job opportunity or family connections. And we also think that Nebraska's current policy of not covering individuals from other states may be unconstitutional. And so we think this provision is a good idea for that reason as well. The bill also directs department to accept self-attestation. And as Senator Crawford indicated, the department can also verify this information and so there should be no concerns about fraud with that. The department, according to their current eligibility verification plan submitted to the federal CMS...we currently do this for other types...other eligibility factors

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for Medicaid including residency, household composition, and pregnancy. And I'm happy to answer any questions that the committee may have about that process. And then finally--I can see I'm short on time (laugh)--the bill also includes provisions that we support to improve outreach. It's one thing to try to transition young people as they're aging foster care but more difficult to reach young people who have already exited the system and make sure they know about this coverage. So we think that those provisions are really important as well to help young people be aware of this provision. So we want to thank Senator Crawford for introducing this bill and the committee for your ongoing commitment to child welfare and older youth transitioning from foster care to adulthood. And we respectfully request the department to...the committee to vote to advance LB148. [LB148]

SENATOR CAMPBELL: Ms. Helvey, let's go back to Senator Kolterman's question and the back and forth with Senator Baker. So in your estimation, you do have to be in a foster care placement at the time you age out of the system? [LB148]

SARAH HELVEY: That's right. So the... [LB148]

SENATOR CAMPBELL: Does the foster care placement involve guardianship or kinship areas or does it have to be a straight out of home foster care? [LB148]

SARAH HELVEY: So the statutory language is in foster care under the responsibility of the state on the date of attaining 18 years of age or such higher age as the state has elected. So we've had that clarification that that could mean in Nebraska 18, 19, or 21, because we have extended foster care to 21. The federal Centers for Medicare and Medicaid Services has issued a guidance. And in it they say that they look to a federal regulation for the definition of what does it mean to be in foster care. That's why I was really excited when Senator Howard asked my favorite question. (Laughter) And so because it's...it seems simple until you really delve into it. I think there's been a lot of...it's a great question because there's been a lot of questions and I think we still have some in Nebraska. But the federal guidance said that foster care means...the federal regulation that they look to for eligibility for this category is, foster care means 24-hour substitute care for children placed away from their parents or guardians and for whom the state or tribal agency has placement and care responsibility. This includes but is not limited to placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions and preadoptive homes. And then this guidance also states specifically that young people that are in guardianships are not considered in foster care for purposes of eligibility. [LB148]

SENATOR CAMPBELL: Okay. And I didn't hear you say kinship either. I heard you say relative care. [LB148]

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SARAH HELVEY: Yes. So I think they...I would...they would look...I would assume they would look to the state's definition of that. [LB148]

SENATOR CAMPBELL: Yeah, and which...that's interesting because we may need to look at...for the returning senators, if we...remember the long discussion we had on the definition of kinship and all of that which was not in the AR bill or was it in the AR bill? [LB148]

SENATOR HOWARD: That was two years ago. [LB148]

SENATOR CAMPBELL: Two years ago. [LB148]

SENATOR COOK: For Senator Coash's...and it dealt with tribal kinship. [LB148]

SARAH HELVEY: That's right. [LB148]

SENATOR CAMPBELL: Yes. Well, kinship... [LB148]

SENATOR HOWARD: Well, kinship overall... [LB148]

SENATOR CAMPBELL: ...overall. [LB148]

SENATOR HOWARD: ...and then we changed the definition. [LB148]

SENATOR CAMPBELL: We should probably take a look at what that definition is, because that may address some of the questions we have here, because I didn't hear you say kinship which is different than relative. [LB148]

SARAH HELVEY: That's right. [LB148]

SENATOR CAMPBELL: Okay. All right. So attached...is that attached, Ms. Helvey or straight out of your memory? [LB148]

SARAH HELVEY: I have a copy of the guidance in my folder. So it's not in the fact sheet but I can certainly provide that. [LB148]

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SENATOR CAMPBELL: Okay. If you could just send it digitally to Joselyn or to me, we'll get it out to the committee, because I think that's an important point that we're going to need and want to have. Senator Kolterman. [LB148]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Thanks for testifying and helping clear things up. I...this one-page sheet that you provided to us, "Medicaid to Age 26 for Youth," if I'm reading this correctly, there are 3,144 young adults that are eligible for this benefit currently but we only have 94 that are actually participating? [LB148]

SARAH HELVEY: Yes, that's correct, as of the time of that interim study. I think that data was provided by the department for LR533 in July. And in the fiscal note, the department provided some updated information that that had increased to about 6 percent. I can't remember the individual number. So in six months it's increased somewhat, but that was...that's correct. It's still 6 percent of the total eligible. [LB148]

SENATOR KOLTERMAN: So this kind of hits home to me because...and maybe you tell me if I'm wrong on this, because you work with this probably. I recently...a year ago, I enrolled some people in the Affordable Care Act. And it was a husband and wife and they had a special needs child and he was, I think, 20 years old at the time. And he was thrown into Medicaid. The parents were written...through the Affordable Care Act he was thrown into Medicaid. Now he's turning 21 and he gets a letter from Medicaid that says he's being thrown out of the system and he needs to apply and go on his parents' plan. Is that...would this pick up that student or would he have to go to his parents' plan? He's not foster care, I guess. That's the difference. [LB148]

SARAH HELVEY: It would only come...if he was not in foster...this only covers young people who are in foster care when they turn 18. [LB148]

SENATOR KOLTERMAN: Okay. So the difference is between foster care and special needs and... [LB148]

SARAH HELVEY: That's correct. [LB148]

SENATOR KOLTERMAN: ...who is eligible for Medicaid and who isn't. Okay. [LB148]

SARAH HELVEY: Yeah. This is a specific provision for... [LB148]

SENATOR KOLTERMAN: Here I answered my own question. [LB148]

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SARAH HELVEY: Yeah, you did great. (Laugh) [LB148]

SENATOR KOLTERMAN: Thank you. [LB148]

SENATOR CAMPBELL: Next week you're going to be an expert on Medicaid, Senator Kolterman. (Laughter) You're getting... [LB148]

SENATOR KOLTERMAN: I don't think so. [LB148]

SENATOR CAMPBELL: You're getting closer. Okay. Any other questions for Ms. Helvey? All right. Thank you very much. [LB148]

SARAH HELVEY: Thank you. [LB148]

SENATOR CAMPBELL: Our next proponent? [LB148]

MONIKA ANDERSON: (Exhibit 2) Good afternoon, Senator Campbell. Members of the committee, my name is Monika Anderson. That's M-o-n-i-k-a A-n-d-e-r-s-o-n. I am the legal counsel for Nebraska Families Collaborative in Omaha, or NFC. NFC is a nonprofit partnership of five Omaha area organizations with more than 400 combined years of experience and expertise in the care of children and families. NFC provides case management, service coordination, and delivery to all of the child welfare and noncourt population of Douglas and Sarpy Counties through a contract with the Nebraska Department of Health and Human Services. On behalf of NFC, we would like to thank Senator Crawford for introducing this important legislation to remove barriers to continuous Medicaid coverage for youth formerly in foster care to age 26. NFC provides ongoing case management to these children, youth, and families in the child welfare system and our continuum of care for these children, youth, and families includes up to 12 months of continuous aftercare after case closure. And that's how we are involved with the youth who age out of foster care. The expansion of Medicaid to cover former foster youth to age 26 is critically important because it provides access to healthcare for a vulnerable group of young adults. Children who are abused or neglected often experience a higher instance of physical and mental health needs, disabilities, and emotional and psychological disorders than the general population. Oftentimes, youth aging out of foster care experience poor health outcomes well into adulthood including drug and alcohol use, unplanned pregnancies, mental health needs, and chronic health conditions. Many young adults who age out of foster care rely on prescription medications to treat conditions such as asthma, diabetes, epilepsy, and ADHD. Without access to health insurance, these conditions may go untreated. As a result, it is crucial that Medicaid coverage be continuous and uninterrupted and that transition

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from state ward coverage to former foster care coverage be seamless. Lack of health insurance coverage could also lead to more emergency room visits and costly hospitalizations. So LB148 is really about prevention: preventing homelessness, catastrophic medical expenses, incarceration, and institutionalization. Because the number of young adults who are potentially eligible for this new category of Medicaid coverage are highly transient, effective outreach is essential. The outreach requirement in this bill is a vital link to this population of former foster youth living in Nebraska. Since January 2014, NFC has made efforts to locate former foster youth and provide information about this new Medicaid category. NFC implemented a process to identify youth aging out of foster care by 18.5 years of age and assign an aftercare specialist to begin working with them on transitioning out of care. Part of the transition plan includes an application to Medicaid with the help of the aftercare specialist. NFC aftercare specialists attempted to make contact with all youth that left care in the past two years and that were potentially eligible for Medicaid under the new category and offered assistance with the application process. Now, we were involved in the LR533 process this past fall and we were advised during that period of time by the Medicaid Division that no application was required for these youth. However, that has not been our experience at NFC both before the LR533 meetings and after that process. So that may account for the low numbers of participation, the low participation rate at this point in time. In addition, information about Medicaid coverage for former foster youth is included in NFC's aftercare newsletter, kinship care newsletter, staff newsletter, and on all our social media sites. And NFC's youth advisory committee assisted in creating the youth-friendly marketing materials that are included in your packets that were provided at homeless shelters, youth centers, and other locations in the community that are frequented by youth and young adults. In addition to outreach, NFC case managers begin having conversations with youth about Medicaid eligibility starting at age 16. Youth served by NFC receive information at least annually until they reach 18.5 and then that information is shared with them monthly. And this is all documented in the youth's transition plan, independent living plan, and aftercare plan. The extension of Medicaid to age 26 for former foster youth is an important benefit for this population and is vital...it's vital that the transition is well organized, targeted, and communicated effectively. Thank you, again, Senator Crawford, for introducing this important legislation for foster youth as they age out of care and transition to adulthood. I'd be glad to answer any questions. [LB148]

SENATOR CAMPBELL: Thank you, Ms. Anderson. Questions from the senators? Thank you for bringing samples of what you give out. That's very helpful. Okay. Thank you. [LB148]

MONIKA ANDERSON: Thank you. [LB148]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB148]

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MESHKA WAYA: (Exhibit 3) Good afternoon, Senators. And thank you for the opportunity for me to speak on LB148. My name is Meshka Waya, spelled M-e-s-h-k-a W-a-y-a. I speak to you today as a former foster...former state ward. I'm here to offer my support of LB148. I'm here to provide the perspective of a young person who aged out, thus would be directly impacted by this bill. About three years ago, I aged out of foster care at the age of 18 after entering foster care at the age of 17. I have a one-year-old daughter who I'm struggling financially to provide for. Having the coverage of Medicaid has helped me immensely. If it was not for the coverage, I would be in major debt because of the medical bill for the pregnancy. I'd like to share two reasons why I support this passage of LB148. This bill allows for a stress-free transition from foster care to independent living as well as allows coverage for young people who not only aged out in Nebraska but in other states. LB148 provides coverage for those who have aged out of foster care and keep coverage until they are the age of 26. LB148 would allow coverage for young who have aged out. They would not have to reapply for coverage thus eliminating the difficulties with the possibility of being declined and having to reapply. In the last year, I have been fighting with Medicaid. I've had problems with them saying, oh, you make too much, when I barely make enough money to provide for my daughter; or, well, you didn't get the paperwork in, when I never received the paperwork they are speaking of; or, you missed your interview, when I received a letter stating when my interview date was two days after said date of interview. All of these things I have not only happened to me but to other former foster kids. When you are in foster care, applications for services like Medicaid is done for you and what...you learn that what you're told by someone at DHHS goes because they are your guardian. This is all...makes it very hard for youth who age out to know that they can fight for coverage. I am stubborn and have people who help me. Others don't and might just give up after the first roadblock. So I believe that LB148 will truly help those who have aged out with keeping the medical coverage needed because they won't have to put such a fight to get coverage that's promised to them by ACA that is available to other young adults by their parents. LB148 also provides coverage for not only those who have aged out in Nebraska but other states as well. LB148 would help those who struggle coming from outside of Nebraska to come to Nebraska with being able to...not having to worry about whether their medicine for their flu bug is covered. Unfortunately, I cannot relate to this part of the bill because I aged out in the state of Nebraska. To this part of the bill because I...oh, sorry. However, I can speak for all the benefits that the extension of my Medicaid until age 26 has done for me such as allowing myself to be fully covered when I go to the doctor without worry and stress of having to figure out payments. This means I don't have to wait until I'm emergency room sick to get help. I can be healthy which helps keep my baby healthy and allows me to not miss work. Other youth that come to Nebraska to get a fresh start, go to college, work, or reconnect with family shouldn't be punished. Our state should welcome them. I believe that LB148 will help those from out of state for to lesson a worry of not being covered for medical reasons. As you've seen, LB148 will reduce the stress of transitioning from foster care to independent living for those aging out of Nebraska and other states to come to Nebraska. Leaving home to be on your own is a huge challenge for people who live at home with parents

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who can help them. It's even harder for those of us who age out of foster care. There is so much to figure out without a lot of support. This bill simply gives people whose parent was the state of Nebraska the same medical benefits as those coming from their parents' home. As a youth who has been through the foster care system, I ask you to remember my story and those of youth like me when voting. Thank you again for the opportunity to share my opinion. It means a great deal. I would be happy to answer any questions. [LB148]

SENATOR CAMPBELL: Thank you. Great testimony. [LB148]

MESHKA WAYA: Thank you. [LB148]

SENATOR CAMPBELL: Questions? Yes, Senator Riepe. [LB148]

SENATOR RIEPE: Senator Campbell, thank you. Are you currently provided coverage through Medicaid? [LB148]

MESHKA WAYA: Yes, after a big struggle, but, yes. [LB148]

SENATOR RIEPE: Okay. My question then is you say...in your correspondence which I've just quickly looked at, it says you ended up with major debt from medical bills. Is that because Medicaid did not pay or what's...I'm trying to make that connect. [LB148]

MESHKA WAYA: No, if I hadn't had the Medicaid... [LB148]

SENATOR RIEPE: I'm sorry? [LB148]

MESHKA WAYA: When I was pregnant, I got the Medicaid. But if I hadn't had it, I would have had big debt from it because I would have had a huge hospital bill for it. [LB148]

SENATOR RIEPE: Oh, okay. [LB148]

MESHKA WAYA: It was covered. No, after that I had problems because when the...the other previous bill...I don't know what the name of it was. Did I...no? Okay. I was 19...or 18 when I aged out. I know it was previously 19 until they changed it. I did not qualify so I was not on Medicaid. [LB148]

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SENATOR RIEPE: In looking at this quickly, I just...it looked to me like you were on Medicaid but yet ended up...and I wondered if Medicaid...but you said had it not been, so... [LB148]

MESHKA WAYA: Yeah. [LB148]

SENATOR RIEPE: I stand corrected. Thank you very much. [LB148]

SENATOR CAMPBELL: Senator Howard, did you have a question? Okay. Thank you very much for your testimony... [LB148]

MESHKA WAYA: Thank you. [LB148]

SENATOR CAMPBELL: ...and coming today. Our next proponent? Good afternoon. [LB148]

AUGUSTA KAMARA: (Exhibit 4) Good afternoon. Good afternoon, Senators, and thank you for the opportunity to speak on the LB148. My name is Augusta Kamara, A-u-g-u-s-t-a K-a-m-a-r-a. I speak to you today as a former state ward. I'm here to offer my support of LB148. I am here to provide the perspective of a young person who aged out thus would be directly impacted by this bill. I aged out of foster care at the age of 19. I have a 16-month-old baby and it has been challenging going to school full-time and working to provide for my family. Having Medicaid coverage has helped me tremendously. If it wasn't for the coverage, I would be in major debt as I recently just had a root canal procedure done. Also without the coverage of Medicaid, I wouldn't have been able to pay the bills for my pregnancy. I'd like to share two reasons why I support the passage of LB148. This bill helps young people who are enrolled in school to focus more on their educational goals and eliminate medical debts that could really affect their lives and lead to homelessness and other difficulties in life. LB148 expands the Bridge to Independence program which supports youth who are going to college. I am currently a senior at the University of Nebraska and I will be the first person in my family to have a college degree. Since I have no family members here and my dad is not really involved in my life, it hasn't been easy to get the financial and moral support that I need to be successful in college. I almost dropped out of school because I couldn't keep up with my bills and living expenses. It's also very challenging to be involved in sports and extracurricular activities to build a solid resume for grad school because I'm working multiple jobs. I was a biology major and planned...and my plan was to go to medical school and become a doctor, but that dream died when I realized I had to work full-time and go to school full-time so that left me with a few hours to study. I would stay up all night to do homework and then go to school and work. I started getting sick because I was extremely stressed, so I changed my major. All of these things makes it really hard for the youth to be successful. Adding not having medical insurance can make this all even harder. LB148 provides Medicaid coverage for those who have aged out of foster care until they are 26. Unfortunately,

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when I turned 21, I didn't have that option. My Medicaid and former ward benefit was taken away. A few months after that, I was involved in a car accident and was rushed to the emergency room. My medical bills was about \$3,000. I couldn't afford it so my bills were sent to collections. That really affected my credit. I couldn't get a decent car or an apartment. I was homeless for three months because no one wanted to rent me an apartment because of my credit. I watched my whole life crumble in front of me. One of my friends from work took me in until I could get a place that would work with me. I could have easily quit school to work and pay my bills but I didn't give up. This might not be the case for everyone. Having medical coverage at that time would have helped me immensely and eliminated all of the medical debt. So I believe that LB148 will truly help those that age out to have medical coverage and not worry about medical bills. I think LB148 would prevent future youth from reliving my experience and provide them with the help they need to be successful. This bill helps young people who are enrolled in school to focus more on their educational goals and eliminate medical debts that could really affect their lives and lead to homelessness and other difficulties. Most of the youth who would benefit from this bill don't have family members they can depend on for help. Having the support of medical insurance that will be there until they are 26 and likely more established will definitely relieve some stress. As a parent, I know for sure that this bill will help people who have kids to support and provide a better life for their family. As you vote, please remember my story and many more youth like me. Thank you again for the opportunity to share my story. It means a lot. And I would be happy to answer any questions you guys have. [LB148]

SENATOR CAMPBELL: Ms. Kamara, thank you so much for your story. Tell us what your major is now. [LB148]

AUGUSTA KAMARA: Business management and two minors in communications and psychology. [LB148]

SENATOR CAMPBELL: That is a lot to take on in and of itself. What do you hope to do with your major? [LB148]

AUGUSTA KAMARA: I hope to go to UNMC and study public health administration and also get my MBA. [LB148]

SENATOR CAMPBELL: Well, we certainly can use people in the health field no matter where they are so thank you. Keep that dream alive. We'll need you. That's for sure. Questions from any of the senators? Thank you for telling your personal story. They mean a lot to us. [LB148]

AUGUSTA KAMARA: Thank you. [LB148]

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SENATOR CAMPBELL: Okay. Our next proponent? A familiar face and testifier. Good afternoon. [LB148]

ANNETTE DUBAS: (Exhibit 5) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Annette Dubas, A-n-n-e-t-t-e D-u-b-a-s, and I am the executive director for the Nebraska Association of Behavioral Health Organizations, or NABHO. That's what you'll hear us referred to more commonly. And I'm here today to testify in support of LB148. And I would like to thank Senator Crawford and her staff for their leadership on this issue. First, let me give you just a little bit of background about NABHO. We are a statewide organization consisting of membership representing providers, consumers, and a majority of our behavioral health regions. Our mission is to actively promote sound, responsive, accessible, efficient, and effective substance use and mental health services for the people of Nebraska. I've included a listing of our membership with my testimony with the hope that you will count on us as a reliable source of information when you are discussing behavioral health issues and policy issues. LB148 is important to our organization because it ensures that young people who are aging out of the foster care system in our state or those who may move here in the near future will be able to have access to needed medical and behavioral healthcare. And I would like to especially stress the importance of access to behavioral healthcare as well as the physical healthcare for these young people. We know that many of the persistent and serious mental illnesses manifest themselves in the late teens and into the 20s. And so not having access to these types of behavioral health services could be especially critical to this particular vulnerable population. The policy change will mirror what is already allowed for youth who may stay on their parents' insurance past the age of 18. Just because you have officially reached that age where you can legally go it alone, it is not always easy to make that transition and be able to afford access to basic healthcare needs. Even under the best of circumstances, we know financially that this is a challenge. For most young people, they have the benefit of family to help them make that transition. But for our foster youth, unfortunately that's not the case. And they do not always have those support systems in place that can help them meet and overcome the obstacles like we just heard from our previous testifiers. Many of them are working hard to, you know, successfully go out there and take care of themselves. But LB148 would provide that all of these young people have access to behavioral and physical health needs. And that certainly will take a load off of their minds and allow them to focus on the things that are really important. Yes, there is a cost to this. But as has been mentioned by previous testifiers, you know, if you don't take care of things sooner, often you're paying for them later. And it's those later costs that really add up. And as I said, when those serious mental health issues present themselves in this age group, the sooner they can get care the better off they are. The portions of the bill that deal with outreach and streamlining from a personal perspective are something that caught my attention after spending most of last year and the previous year looking at ACCESSNebraska. And anytime that we can streamline and we know that there is overlap on eligibility and many other areas...so any time you can streamline that process, you certainly are going to make it

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easier for the consumer and you're going to save money in administrative costs as well. So I think that's really an important component of this bill to provide that streamlining and that outreach. So NABHO would like to go on the record in support of LB148 and hope that the committee will advance it. And we thank you for your attention. And I would be happy to entertain any questions. [LB148]

SENATOR CAMPBELL: Questions for the testifier that will always be Senator Dubas (laughter) and my seat mate for six years. [LB148]

ANNETTE DUBAS: It's nice to be back. [LB148]

SENATOR CAMPBELL: Good to see you again. Our next proponent? Good afternoon. [LB148]

JULIA TSE: (Exhibit 6) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Julia Tse, and I am the child welfare policy associate at Voices for Children in Nebraska. We're particularly excited to be here in support of this bill today because I think I saw many of you at our "Kids Count" release yesterday. So as I talk about some of the evidence and the data that supports this bill, I hope that you keep that idea of comprehensive well-being in mind. In 2013 alone, 246 youth aged out of foster care in Nebraska without a permanent family to guide them from adolescence to adulthood. This represented about 9 percent of all exits from foster care, a rate which has been on the rise since 2008. Others have mentioned the data that Senator Crawford has been hard at work at putting together in the interim and altogether the data is very, very clear. There is a sizeable population that this bill would benefit, and Nebraska has made a lot of progress in recent years in the world of child welfare, but it's important to remember that the need for support does not stop at 18 or 19 especially for those without permanent family connections, many of whom have already been exposed to significant childhood trauma and instability. What we also know is that former foster youths have far more grim outcomes as adults by nearly every measure. The research that I'm referencing was a very extensive longitudinal study that followed youth for nearly ten years up until the age of 26. And the results are very sobering but unfortunately things that we always have known about the foster care system. They did worse in educational attainment, employment, housing stability, public assistance receipt, criminal justice involvement, and mental and physical health. Ensuring consistent and easy access to healthcare is one of the most important things that we can do to mitigate some of the difficulties of navigating your way into adulthood. Research shows that there is a considerable financial and social benefit to this. And because the foster youth population typically has a disproportionately higher cost of healthcare, ensuring that there is stability in health coverage yields significant cost savings in the long-term for taxpayers. And the ideas that other testifiers have alluded to is that consistent and regular healthcare coverage is more cost-effective than ignoring minor problems until they turn into big

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problems. LB148 is an invaluable opportunity for Nebraska to ensure that all children have a chance to be happy and healthy adults. By easing the enrollment process, including out-of-state youth, and conducting outreach efforts, LB148 would represent a vital step in our state's progress in improving outcomes for foster youth. We want to first thank Senator Crawford for her leadership and efforts in bringing this issue to the forefront as well as the leadership of this committee as it continues to ensure that young people are provided with the important supports that they need to transition into adulthood. We respectfully advance (sic) that you advance this legislation. And I'd be happy to answer any questions. [LB148]

SENATOR CAMPBELL: We do need to have you pronounce your name and spell it for the record. [LB148]

JULIA TSE: Oh, I'm sorry. [LB148]

SENATOR CAMPBELL: That's okay. [LB148]

JULIA TSE: My name is Julia--I can't believe I forgot that--Julia Tse, J-u-l-i-a T-s-e. [LB148]

SENATOR CAMPBELL: Okay. [LB148]

JULIA TSE: Sorry. [LB148]

SENATOR CAMPBELL: And I'm sorry I forgot it. So my apologies. Questions from the senators? Thank you for the testimony. [LB148]

JULIA TSE: Thank you. [LB148]

SENATOR CAMPBELL: Our next proponent? How many more proponents do we have for the bill? Two? Okay. And opponents? One? And anyone in a neutral position? Okay. Go right ahead. [LB148]

MARY FRASER MEINTS: (Exhibit 7) Hello, Senator Campbell and members of the Health and Human Services Committee. My name is Mary Fraser Meints, M-a-r-y F-r-a-s-e-r M-e-i-n-t-s. I'm the executive director of Youth Emergency Services in Omaha and I'm on the young adult volunteer supports and services committee now called Bridge to Independence and I'm also representing CAFCON, which is a group of 12 organizations across the state. I gave you my written testimony. Basically, I say the same thing most people do. We serve homeless youth and

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sometimes they're homeless because, as you've heard, they've had a medical issue or a mental health issue. Sometimes they have to choose between a prescription and paying their rent. If they can't pay their rent, they become homeless again. So we support this bill. We think it's very, very important for young people. Since Omaha is in the middle of the country, we serve runaway and homeless youth from all across the country, and some of our youth aren't on Medicaid when they come here because they are from other states. So this would also even the playing field for those kids who are from other states who have been in foster care who end up in Omaha. So that's very, very important. Streamlining the system is important too because, believe it or not, sometimes after kids get out of foster care, they don't like rules, they don't like regulations. If they are told no they go, okay, I don't care. But that hurts them in getting access to healthcare. So the streamlining and making it easier for them is good. We have case managers who help them but I know of other youth from our church who don't have somebody and they're calling me. (Laugh) So I urge your support of this and you can read my testimony. I'll be glad to answer any questions. [LB148]

SENATOR CAMPBELL: Thank you. Any questions from the senators? Senator Riepe. [LB148]

SENATOR RIEPE: Thank you, Senator Campbell. I just wanted to follow up on the one thing that you said that we provide services for children from...they've come here from both coasts and, I mean, is there any qualifying thing or is this...and how...what's the number on that? I mean, is it a fairly large number? [LB148]

MARY FRASER MEINTS: Youth Emergency Services served 1,800 young people last year. They're not all from across the country, but we do have kids who end up here in Omaha and they may not be on Medicaid and they don't have health insurance so they need some help. I can think of two right now that we've served that are from other states that aren't able to get Medicaid because they're 19. I don't know that it's...it's not 1,800. Half of the kids we serve have been in the foster care system either in Nebraska or another state. I could check on how many young people. I know two for sure, because one is a diabetic and he had trouble getting healthcare. [LB148]

SENATOR RIEPE: Is this service limited then to a number of days until they're reestablished with their parents or custodians or guardians or across the country? You know, my concern here gets to be...is, you know, we're trying to cover the citizens, the taxpayers of Nebraska and their families, etcetera. To cover nonstate residents, you know, gets to be sort of a triple threat, if you will. [LB148]

MARY FRASER MEINTS: So when we serve the young people, we have a variety of services. We have shelter and we have transitional housing and we have a maternity home. And we work

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with them to become self-sufficient, to get a job. And hopefully that job has healthcare. But it may not have healthcare so they may need Medicaid. [LB148]

SENATOR RIEPE: So we're helping them settle. [LB148]

MARY FRASER MEINTS: Right. Our goal is to help them become self-sufficient. I kind of slowed...kind of missed part of my point about what our mission is. It's to provide critically needed resources to at-risk and homeless young people to empower them to become self-sufficient. So our goal is to get them back on track. [LB148]

SENATOR RIEPE: Is it fair to say that like Europe, you're a youth hostel? [LB148]

MARY FRASER MEINTS: (Laugh) I don't know if we're a youth hostel. But we have housing and apartments and we help the young people get settled and help them live in the community and have jobs. It's...they have to have a job or be in school or both. And they have to do community service. So we really want them to be a part of our community. [LB148]

SENATOR CAMPBELL: Any other questions? [LB148]

SENATOR RIEPE: No more questions. Thank you very much. [LB148]

SENATOR CAMPBELL: Any other questions? Senator Howard. [LB148]

SENATOR HOWARD: Thank you, Senator Campbell. It's nice to see you again. [LB148]

MARY FRASER MEINTS: Thank you. Good to see you. [LB148]

SENATOR HOWARD: Thank you for your testimony. I'm a big fan of Youth Emergency Services. [LB148]

MARY FRASER MEINTS: Thank you. [LB148]

SENATOR HOWARD: I brought you a lot of kitchen items a couple weeks ago. (Laughter) [LB148]

MARY FRASER MEINTS: We appreciate them. [LB148]

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SENATOR HOWARD: And this may be a better question for Senator Crawford to answer later, but maybe just to give her a heads up, can you speak to, maybe, the cost or the burden on our healthcare system when a young person is unable to pay for their healthcare? [LB148]

MARY FRASER MEINTS: Well, for one thing, a lot of our youth don't like to go to a regular doctor. They don't trust adults. They don't trust doctors or therapists. They may have seen lots of doctors over their time in foster care, and so they're not likely to establish a relationship with a doctor especially if they don't have healthcare. So where do they go? They go to the emergency room. And we had one young woman who needed to go to the emergency room but she also had anxiety disorder. She's not going to sit in the emergency room. She's going to be out of there. So her medical care isn't going to be taken care of. So they have a variety of issues, physical and mental health issues. [LB148]

SENATOR HOWARD: Thank you. [LB148]

MARY FRASER MEINTS: Did that answer your question? [LB148]

SENATOR HOWARD: Well, it's more of a heads up for (laugh) Senator Crawford as well. [LB148]

MARY FRASER MEINTS: Thank you. [LB148]

SENATOR CAMPBELL: Thank you very much for your testimony today. [LB148]

MARY FRASER MEINTS: Thank you. [LB148]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB148]

AMY WEST: (Exhibit 8) Good afternoon. Chairperson Campbell and members of the Health and Human Services Committee, my name is Amy West, A-m-y W-e-s-t. And I am here on behalf of the Nebraska chapter of the National Association of Social Workers, or the NASW, to express my support of LB148. As you know, one full year ago, the Affordable Care Act began providing Medicaid coverage to young people aging out of foster care in Nebraska until they turned 26. As a social worker working with this population, I have seen some of the impacts of this new Medicaid category firsthand. You heard some stories earlier, but I have another one to share with you today. What the most notable experience that I have had was a few months ago when I was helping a young man go through the application process for Medicaid coverage. While he was waiting to hear whether he was approved for that coverage, he was the victim of a

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random assault and he ended up in the hospital needing jaw surgery. This young man had already racked up some medical debt from previous procedures he needed and he was absolutely overwhelmed thinking about how he would pay for the hospital stay and the surgery that he needed. He was still in the hospital when I found out that he would be covered and I will never forget the look on his face when I visited him to let him know that he had been approved for Medicaid. He cried and he hugged me. This young man was so relieved to know that he would not have to shoulder more medical debt as a result of the assault, and he was also so very happy that he would be able to get regular, preventive medical care again. He told me that he hadn't been to a dentist in years. This story is just one of many that highlight the human impact of this new Medicaid category. We know that youth who age out of foster care face incredible challenges as they enter adulthood. They are far more likely than their nonfoster care peers to struggle with housing, employment, educational attainment, poverty, unplanned pregnancy, and many other issues. When it comes to access to health insurance, only 51 percent involved in the longitudinal study that was mentioned earlier had coverage at age 21, and that's compared to 76 percent of 21-year-olds who have not been in foster care. It's clear that this new category of Medicaid coverage has the potential to tremendously impact this concerning finding. Unfortunately, implementation of the former foster care category has been slightly less than smooth. Again, through my experience as a social worker in the field, I've personally witnessed and heard many firsthand accounts from professionals and young people struggling to get those who should be eligible covered. The automatic enrollment process which intends to automatically enroll young people in coverage as they age out of foster care has been flawed from the start as you've heard. LB148 would streamline and address some of the current issues with this process. Attempting to enroll young people who have already aged out of foster care has also been a challenge, and I have seen several young people be incorrectly denied for coverage at first but, after calling to question the decision and in some cases reapplying for the coverage, they end up being approved. I, as a professional, struggle to explain and at times argue about the existence and details of this coverage. I can't imagine being a young person in this situation and I worry about the number of young people who have been given false information or who have been incorrectly denied and just gave up. By requiring the Department of Health and Human Services to develop outreach methods to identify young people who may be eligible for this coverage, LB148 would go a long way in addressing this issue. This is also important because, although many organizations are working diligently to inform the clients that they serve about this new Medicaid category, young people who are not involved in services are much less likely to hear about it. This wonderful opportunity is wasted if those who could benefit from the coverage aren't even aware that it exists. Additionally, the NASW is strongly supportive of the piece of LB148 that would cover young people living in Nebraska who aged out of care in a different state. While these cases may be fewer, the impact would be significant for young people in this situation. Access to healthcare coverage should not be a factor driving young people away from Nebraska. On behalf of the Nebraska chapter of the NASW, I would like to thank Senator Crawford for her continued attention to this issue and thank the committee for your time and

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consideration. LB148 is another opportunity for us to continue working to reduce barriers to success for young people aging out of foster care and we hope the committee votes to advance this bill. Thank you. [LB148]

SENATOR CAMPBELL: Thank you, Ms. West. Are there questions from the senators? Senator Riepe. [LB148]

SENATOR RIEPE: Thank you, Senator Campbell. As a longstanding hospital administrator, I'm curious if the hospital actually pursued collecting anything that he was concerned about medical debt. My experience is, we wouldn't have spent the money for a postage stamp once you looked at his situation. [LB148]

AMY WEST: I'm not... [LB148]

SENATOR RIEPE: I'm just trying to make the point that the hospitals aren't quite that meanspirited, if you will... [LB148]

AMY WEST: Yes. [LB148]

SENATOR RIEPE: ...that you show up with that, you...there's no future in it. I...so is there some different part of that story? [LB148]

AMY WEST: Well, I'm not sure what the medical debt entailed. He just told me when he was in the hospital that he had...or when we were applying for Medicaid, he told me that he had previous medical debt from some other procedures that he'd had. [LB148]

SENATOR RIEPE: Oh, prior to this? [LB148]

AMY WEST: Right. Right. [LB148]

SENATOR RIEPE: Oh, okay. [LB148]

AMY WEST: But he was approved for Medicaid while he was in the hospital this time. [LB148]

SENATOR RIEPE: Okay. Thank you. [LB148]

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SENATOR CAMPBELL: Any other questions? Thank you, Ms. West. [LB148]

AMY WEST: Thanks. [LB148]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB148]

BRUCE RIEKER: (Exhibit 9) Good afternoon. Chairman Campbell and members of the committee. My name is Bruce Rieker. It's B-r-u-c-e R-i-e-k-e-r. I'm vice president of advocacy for the Nebraska Hospital Association here today testify on behalf of our 89 member hospitals in support of LB148. A lot of great information has been shared. I want to thank Senator Riepe for saying that not all of us hospitals are bad all the time, (laughter) you know, when it comes to payment practices, things like that. But I am going to talk about some of the money issues. A couple things, definitely not going to try and repeat all of the great information that's been shared: There are 11 states that are already doing this around the country and those are highlighted or illustrated in the third paragraph. You can see a few of them are close to Nebraska. They're not all large states. Some are rural states, but want you to take note of those particular states doing that. I think that this hearing, you know, probably exemplifies a lot of what I have seen as aha moments in healthcare, is that there's a cost of doing it and there's a cost of not doing it. And if the state doesn't do it, I assure you it's still going to cost the money to provide them care, and then who pays for that down the road is something that we have to talk about as well. So as you examine this, I hope you will take both the cost of providing this care through the Medicaid program which, as Senator Dubas said, is much more efficient...you know, when we're talking about an ounce of prevention is worth a pound of cure, it is definitely true in this scenario as well. In the fifth and sixth paragraphs of my testimony, I outlined several ailments, illnesses, things that foster children suffer from in a much greater degree than their nonfoster children peers. If you would like the studies that we pulled that information from, I would be happy to present that to you. One of--and I didn't even include it in my testimony--but one of the things I found from one study was that foster youth have a more than double propensity for suffering from posttraumatic stress disorder than Vietnam veterans. So when we're talking about their care, if we don't provide them preventive care and they present themselves to our emergency room and they're admitted to our psych units, it becomes incredibly costly. And we will provide that care. However, if we could provide them behavioral health services up-front, physical health services up-front, the...that expenditure on the front end will save taxpayers, those who pay their healthcare bills, those who have the ability to do it. Yes, we represent...most of our members are nonprofit. But they're also not in the business of going out of business. They have to stay in business if they're going to provide care. And I can't draw a direct correlation to what these particular patients would cost if it's uncompensated care. I can tell you that the average emergency room visit right now is above \$1,500, okay? I will also tell you that bad debt for the 89 hospitals we're representing...in 2008, it was \$175 million. In 2012 it was \$247 million. So it's shooting up. And as healthcare becomes more and more costly, it's a problem. I don't have the

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exact numbers, but because of the high-deductible plans in the exchanges and other things where people are not able to have the coverage they need, our hospitals are budgeting somewhere close to double that \$247 million for the upcoming year, so almost a half a billion bad debt. If we're not able to provide the care up-front, I assure you those people are still in the system and we're going to provide care. And then who pays for it in the long run is a question that I hope the committee considers. And with that, we support this bill. And we encourage you to advance it to General File. [LB148]

SENATOR CAMPBELL: Questions? Senator Riepe. [LB148]

SENATOR RIEPE: Thank you. Hi, Bruce. [LB148]

BRUCE RIEKER: Hi. [LB148]

SENATOR RIEPE: I heard a recently, a couple days ago, on a report, and they were talking that the Affordable Care Act is now projected that it will cost \$50,000 per year per enrollee. Do you have any...have you heard that and have you had any information...I haven't had time to follow up on it. [LB148]

BRUCE RIEKER: That's news to me. I...but I will look into it. [LB148]

SENATOR RIEPE: Okay. If you find it, could I have a copy? [LB148]

BRUCE RIEKER: Absolutely. I will make sure that... [LB148]

SENATOR RIEPE: If I find it, I'll give you a copy. [LB148]

BRUCE RIEKER: Well, thank you, sir. But I don't know what the projections are per enrollee right now. [LB148]

SENATOR RIEPE: I'd like to know it as a fact and not just radio hearsay, but... [LB148]

BRUCE RIEKER: Right. Right. [LB148]

SENATOR RIEPE: ...thank you. [LB148]

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BRUCE RIEKER: You bet. [LB148]

SENATOR CAMPBELL: Mr. Rieker, just to back you up in terms of the posttraumatic stress that...you brought that up. We had a really good education on that from Kim Hawekotte of the Foster Care Review Office last week in terms of trauma-informed care and how that affects children. So your data is backed up by her report, that's for sure. All right. Senator Kolterman. [LB148]

SENATOR KOLTERMAN: I...yeah, I just have a point of clarification, Bruce. Talk about the posttraumatic stress disorder again and how...what you're seeing with that in the hospitals and the emergency rooms or heading it off at the pass. [LB148]

BRUCE RIEKER: From a foster care perspective? [LB148]

SENATOR KOLTERMAN: Yes, yes. [LB148]

BRUCE RIEKER: I don't have specifics on individuals that are either in foster care or who have aged out of foster care. I will find out from our hospitals that have psych units what they're experiencing there as to what sort of...what is their experience in being able to provide preventive services, outpatient services, but then also, what happens when they become inpatient services? And those will come to us in varying ways. Some of them could be voluntary presentations to the hospital. Others could be involuntary commitments such as emergency protective custody or something like that. So I will talk to the experts in the field and get information for the committee as to exactly what our hospitals are experiencing specifically to this issue. [LB148]

SENATOR KOLTERMAN: Okay. Thank you. [LB148]

BRUCE RIEKER: You bet. [LB148]

SENATOR CAMPBELL: Anything else? Thank you, Mr. Rieker. [LB148]

BRUCE RIEKER: You're welcome. Thank you. [LB148]

SENATOR CAMPBELL: Our next proponent? I thought I counted correctly. Okay. We will move to opponents to the bill. Good afternoon. [LB148]

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RUTH VINEYARD: (Exhibit 10) Good afternoon, Senator Campbell and members of the committee. My name is Ruth Vineyard, R-u-t-h V-i-n-e-y-a-r-d. I'm a deputy director with the Division of Medicaid and Long-Term Care, Department of Health and Human Services, and I'm here to testify in opposition to LB148. Senator Crawford does a very good job of laying the foundation so I'm going to skip some of this. I think everyone knows that the Affordable Care Act required us--Medicaid Division--to implement a new program, mandatory eligibility. The one thing I do want to point out about this new mandatory category is, it's not a federal poverty level program. These individuals are eligible with no consideration of income and/or resources. So I do have good news: We currently have 231 individuals in the former foster care category. But I also want you to understand that law requires that the first thing we do when someone applies for this category of eligibility is we assess them under a federal poverty level program. So if they're a pregnant woman, an 18-year-old, a parent caretaker, they may come into the Medicaid program under that category and you may never see them in the former foster care program unless they lose eligibility for one of those other programs. We then assess them for the former foster care program if they don't qualify for a different program. So the numbers...I want you to keep that in mind as you think of the numbers. So we did implement the former foster care program according to federal law. LB148 would expand the former foster care eligibility to individuals entering the state who were in foster care under the responsibility of any state or territory. This portion is the optional expansion, as Senator Crawford mentioned. It expands the Medicaid program beyond the required Nebraska population. In addition, and I'm going to caveat, as currently written, the bill would require the department to accept self-attestation of out-of-state foster care and Medicaid status for this population. We would basically accept their word that they were in foster care and receiving Medicaid at the time they aged out in any state. To further explain that, currently the law requires...the Affordable Care Act required us to consider pregnancy based on self-attestation. So someone declares they're pregnant. We can't ask for verification. The attestation is the verification. So as we read this bill, we understood--and we have since talked to Senator Crawford and clarified--we understood this to mean that we were not able to follow up and postverify once we had accepted their attestation of their out-of-state foster care and Medicaid status. Okay. In addition to expanding Medicaid eligibility to an optional category of individuals, LB148 requires the department to seek out potentially eligible individuals and provide those declining enrollment with a written notice explaining the benefits of the program. That might be a good opportunity to talk about the budget. And I notice that Liz Hruska is here and she may be able to explain further. But when we completed the fiscal note on this bill, we looked at where we are today. So when we did our budget projections for FY '16-17, we took '14 "actuals," the actual expenditures for the former foster care program in '14 and we projected that for '16 and '17. So this bill requires outreach to all individuals who might potentially be eligible. So on top of that, we said--and it was a best case scenario--if our outreach reached every individual who might qualify for this program and became eligible for Medicaid, yes, our fiscal note represents that number. It's not duplicative. We did not anticipate 100 percent participation in our '16-17 budget but based it on very low participation from '14. I'll answer

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questions on that and I hope that helped explain. The potential impact to Nebraska of out-of-state enrollees is unknown. However, as a point of reference, a 5 percent increase in this population would result in increased costs of approximately \$87,000 in total funds in '16 and \$116,000 in '17. That's just for the out-of-state population. A review of state plan amendments of Nebraska's six border states...only South Dakota elected the provision to expand eligibility to individuals who were in foster care in any state. If Nebraska were to elect this expansion of eligibility, five of our neighboring states would not be reciprocating. We did have the opportunity to talk to South Dakota and they do not accept self-attestation but they do require verification of foster care status and Medicaid eligibility before they open out-of-state youth...or individuals. They're no longer youth. A few clarifications, and I think it's important to note, we're operating under proposed rules right now. CMS has not finalized the requirements for this population. So although they say they'll accept our state plan if we expand to this optional group, they're interpreting and they go on to say that if that changes, we'll need to submit a new state plan to correct what we had assumed. And a point of...I've heard loud and clear the need to streamline this process. And I hope that Senator Crawford, I think, can attest to the fact that we've done a great deal of work streamlining the process. So currently, when someone ages out of the foster care system, we work with our partners in Children and Family Services. We get a list of those that are aging out and we assess their Medicaid eligibility status. There is no application required for these youth. If someone has been out of the system--so now we're finding 22-, 23-, 24-year-olds who are wanting to apply for this program--we do need an application from them. Again, there's no income test. There's no resource test. So when we talked earlier about being eligible for private health insurance, certainly they can, but they can also stay on the former foster care program even if they are gainfully employed and homeowners. There's no income test. So we don't see a lot of people moving off of this program. Reviews...we've streamlined the review process so now it...we do have to review their eligibility annually, however at annual review we do desk reviews. We don't reach out to the individual unless we have some reason to believe some...we can't verify electronically that they're still in the state. And that is really the requirement. The residency requirement is paramount. So I'd be happy to entertain any questions. [LB148]

SENATOR CAMPBELL: Senator Cook. [LB148]

SENATOR COOK: Thank you, Senator Campbell. And thank you for your testimony sort of. The third paragraph really troubles me... [LB148]

RUTH VINEYARD: Okay. [LB148]

SENATOR COOK: ...because I feel like it's ironic. It's insulting that you would...why would anybody show up and say they're pregnant just to get health coverage? I think you're continuing,

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like so many in the state of Nebraska--policymakers, and people, unfortunately, in conversation--characterizing people who need public assistance for however short or long a time, especially children who have been let down largely by certainly this state's child welfare system, to characterize them--or from any state's system--as kind of hustlers who are just going to say they're pregnant. Who walks around saying they're pregnant if they're not pregnant? I'm a middle-class person. I would never say that. I think the proportionate number of people who are inclined to lie exist among all people whether they are in the Legislature... [LB148]

RUTH VINEYARD: Senator... [LB148]

SENATOR COOK: I'm not finished...whether they're in the Legislature, general citizens of the state, general citizens moving to our state. Whoever wrote this--I don't know that you did--but that is an insult, an open...open the door to potential fraud and abuse. It's more fear-based stuff. It's kind of typical but I have to say that especially about a child that's been in foster care. It's not a question it's a statement. [LB148]

RUTH VINEYARD: Thank you, Senator. I hope I didn't misspeak. The only requirement for pregnancy is attestation. [LB148]

SENATOR COOK: I didn't ask it as a question. And you didn't misspeak, because it says so right here. And you said it was the only requirement, was self-attestation. You did say that. [LB148]

RUTH VINEYARD: Correct. It is... [LB148]

SENATOR COOK: Right. And what I said was that, kind of, how dare you? How dare whoever wrote this think...kind of, the thesis for that paragraph to me is that, oh, and another thing, these foster kids show up and all they have to do is self-attest that they're pregnant and then they're going to get raining down thousands and millions of dollars of free healthcare. I am offended by that personally and many of my constituents are too. That is why I said it, not to get you to repeat it. I can read it. And I heard you say it. [LB148]

SENATOR CAMPBELL: I'd like to follow up with a question, though. In the regular Medicaid program, do we have presumption of eligibility for pregnant women? [LB148]

RUTH VINEYARD: We do, Senator. So presumptive eligibility is somewhat different in that they can go to a presumptive provider, become presumptively eligible, but then we follow up with verification of income and resources, not of pregnancy. Pregnancy is one of the things that we can accept attestation. We don't have to do any follow up. [LB148]

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SENATOR CAMPBELL: Okay, but at this point, in the program...I think what you were saying at the beginning--and I just want to be very clear about that--that the department checks if that person would fit any other category. [LB148]

RUTH VINEYARD: Correct. [LB148]

SENATOR CAMPBELL: So you would check if they were pregnant. You would check if they were disabled. Obviously they're not going to be elderly... [LB148]

RUTH VINEYARD: Correct. [LB148]

SENATOR CAMPBELL: ...from that standpoint. But if they fit that category, then they would go in through the regular Medicaid door and not this program. [LB148]

RUTH VINEYARD: That's correct, Senator. [LB148]

SENATOR CAMPBELL: Am I right? [LB148]

RUTH VINEYARD: Um-hum. [LB148]

SENATOR CAMPBELL: Okay. I just wanted to be really clear about that. [LB148]

RUTH VINEYARD: Okay. [LB148]

SENATOR CAMPBELL: Senator Howard. [LB148]

SENATOR HOWARD: Thank you, Senator Campbell. Thank you for your testimony today. You've been in the hearing the entire time? [LB148]

RUTH VINEYARD: I have. [LB148]

SENATOR HOWARD: Okay. So I want to bring us back to our third testifier, Meshka. You and I worked a lot together over the summer on ACCESSNebraska. [LB148]

RUTH VINEYARD: We did. [LB148]

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SENATOR HOWARD: And one of my concerns here is you indicate that there's no application, but she's indicating that she didn't get the paperwork in when they never received the...she never received the paperwork. [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR HOWARD: She got an interview date that was...and a notice of the interview two days after the date of the interview. My concern is that this is supposed to be sort of a no-wrong-door program, and I'm seeing a lot of closed doors for kids who are trying to access it and be smart about accessing it. Can you tell me more about that? [LB148]

RUTH VINEYARD: Sure. It's concerning to me also, Senator. So one of the problems that we've had is, this program is very similar to the Former Ward program which does have different eligibility requirements. We also work with our partners in Children and Family Services who have a number of programs for these youth. So when she mentioned interview requirements, it was concerning, because Medicaid doesn't have an interview requirement. So I wondered if maybe it was for one of the other programs. I don't know. One of the things that we did work out, though, was as people were trying to get coverage--and we are required by law to first determine if they're eligible for another program--that we did work with CMS and we do understand that we can put them in the former foster care program while we're assessing their eligibility for the other programs. And that involves collection of income, other eligibility elements. You know, one of the things that we did in one of the legislative reviews this past year was we heard testifiers say, you know, in many cases they were struggling getting applicants in and we were not making correct eligibility determinations. And I believe it was Senator Krist who asked us to follow up with the individual. We had tried that on another occasion. Senator Krist requested it. We did get a list of 15 individuals they were struggling to assist. Thirteen of those were handled correctly by looking at the different programs. I don't remember the eligibility status of all of them, but in two cases, our staff did not apply the new regulations correctly and we were able to correct that. So any time I sit and listen to testimony, I really do want to get...find out the details. Is it something that we're doing incorrectly that we can correct or is it a misunderstanding of what the former foster care program is? And maybe it's another program of eligibility. [LB148]

SENATOR CAMPBELL: And Senator Howard's office might be able to track down... [LB148]

SENATOR HOWARD: Meshka. [LB148]

SENATOR CAMPBELL: ...Meshka that testified in order...because I think it would be helpful for the department to follow up with her to find out, because I have to share Senator Howard's...it doesn't...something happened there that should not have. [LB148]

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RUTH VINEYARD: Sure. We'd be happy to. [LB148]

SENATOR CAMPBELL: Okay. [LB148]

RUTH VINEYARD: And I appreciate the opportunity actually. [LB148]

SENATOR CAMPBELL: Senator Crawford, is that okay with you? [LB148]

SENATOR CRAWFORD: Yes, yes. [LB148]

SENATOR CAMPBELL: Senator Howard. [LB148]

SENATOR HOWARD: You mentioned that you're required by law to try to put them into a different eligibility category before they go into this one. [LB148]

RUTH VINEYARD: Correct. [LB148]

SENATOR HOWARD: Is that a federal law? [LB148]

RUTH VINEYARD: It is. [LB148]

SENATOR HOWARD: Is it a state law? Okay. And that's part of the Affordable Care Act? [LB148]

RUTH VINEYARD: It is. [LB148]

SENATOR HOWARD: Okay. So this is sort of a last resort eligibility category? [LB148]

RUTH VINEYARD: You could look at it that way, um-hum. [LB148]

SENATOR HOWARD: Why do you think that is? Is it because there's a different FMAP or... [LB148]

RUTH VINEYARD: I'm not sure, Senator. I can follow back on that. [LB148]

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SENATOR HOWARD: That would be great. Thank you. [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR CAMPBELL: Is there a different FMAP? [LB148]

SENATOR HOWARD: Yeah. [LB148]

RUTH VINEYARD: No. [LB148]

SENATOR CAMPBELL: No, okay. [LB148]

SENATOR HOWARD: Or is it just because this is continuous eligibility? [LB148]

RUTH VINEYARD: It could be but I don't know, Senator, because if someone is in the...for example, in the pregnant woman category and no longer is eligible for that category, we then look at the former foster care category so there's a seamless transition into FFC. [LB148]

SENATOR HOWARD: Okay. And they don't have to ask you do to that. You do that for them? [LB148]

RUTH VINEYARD: Correct. Correct. [LB148]

SENATOR HOWARD: Okay. And how are you finding out if they're a former foster youth? [LB148]

RUTH VINEYARD: The...it's on the application now. The question is on the application. [LB148]

SENATOR HOWARD: So say they aged out. They're on...they're a former foster youth, they become pregnant, they get put into a different eligibility category and then we put them back? [LB148]

RUTH VINEYARD: Yes. Yes. I'm trying to follow that whole train that you just went through. We also have...we are challenged by our eligibility system... [LB148]

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SENATOR HOWARD: Okay. [LB148]

RUTH VINEYARD: ...and the edits in that system. I think you're all aware that we're implementing a new eligibility system. [LB148]

SENATOR HOWARD: Right. [LB148]

RUTH VINEYARD: So hopefully that will be a smoother process. Some of these processes are very manual right now. So we're working from lists provided to us by Children and Family Services and we're having specialized case workers who are specifically trained in this area review those lists, making sure that we have that smooth transition, setting the system when we can to trigger those and again, very hopeful that our new system will automate more of this for us. [LB148]

SENATOR HOWARD: Okay. Thank you. [LB148]

RUTH VINEYARD: Um-hum. [LB148]

SENATOR CAMPBELL: Ms. Vineyard, one other thing that might be helpful--and I think you covered the fact that you had talked to one state in terms of how they go through the verification--if there's a way to find out from the other 11 states quickly from their Medicaid director how they might do that...of helping youth that were in foster care in another state, because to some extent, it would be interesting to see what those states have as their records. [LB148]

RUTH VINEYARD: We certainly can do that. And I have to tell you, it's taken me some time to get through to South Dakota. In fact, I just got the answer back this morning. So we can certainly reach out and it would be a good thing for us to know as well. [LB148]

SENATOR CAMPBELL: And I have to say, Ms. Vineyard, we used to ask director Chaumont at times if she would reach out and talk to other Medicaid directors and get some information. And I fully well understand some are very quick to respond and help and others are not. But I think that might help us. [LB148]

RUTH VINEYARD: We do have great relationships with other states. Again, it's just a matter of getting to the right person. Sometimes the Medicaid director has to refer us to a policy chief or someone else who has the detailed information. So we can sure reach out, though. [LB148]

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SENATOR CAMPBELL: And I appreciate that because one of the things that we rippled through all of this testimony today and what we know is how difficult it is to be a foster child... [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR CAMPBELL: ...to age out of that system with no one. And too often that's the story we've heard. I'm sure you hear that. [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR CAMPBELL: And whatever we can figure out to make that road verifiable but helpful is what I think Senator Crawford is striving for. [LB148]

RUTH VINEYARD: Sure. I started my career as a worker within the foster care system so have seen both sides. [LB148]

SENATOR CAMPBELL: Tough system there. Senator Kolterman. [LB148]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Ms. Vineyard, on the...I'm trying to learn all this... [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR KOLTERMAN: ...so as somebody ages out at the current...out of foster care, is it 19? 18? 19? I'm asking. Right now? [LB148]

RUTH VINEYARD: 18. [LB148]

SENATOR KOLTERMAN: Okay. [LB148]

RUTH VINEYARD: I'm going to say 18. We've had this debate for a while. [LB148]

SENATOR KOLTERMAN: And let's say...okay, so then they go into the work force and they get a job... [LB148]

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RUTH VINEYARD: Can I clarify? They can age out at 18 or 19. So at whatever time they age out after... [LB148]

SENATOR KOLTERMAN: ...under the typical situation. [LB148]

RUTH VINEYARD: ...sure... [LB148]

SENATOR KOLTERMAN: I know there's other circumstances. [LB148]

RUTH VINEYARD: ..after age 18. [LB148]

SENATOR KOLTERMAN: They get a job and they're making \$15,000 a year. Would they still be eligible for this benefit or would they go under the Affordable Care Act and get subsidized through the Affordable Care Act? [LB148]

RUTH VINEYARD: Senator, there's no income test for this group of individuals through the age of 26 at any point in time. [LB148]

SENATOR KOLTERMAN: There's no income test whatsoever? [LB148]

RUTH VINEYARD: No. It's a very unique category of eligibility. Medicaid is primarily based on the federal poverty levels. In this particular situation, there is no income limit. [LB148]

SENATOR KOLTERMAN: I...well, going along that line then I guess I really do appreciate the fact that Meshka and the other young lady that were here today have done what they've done to get where they're at. And I think it's important that we have this program. But my concern is those that don't take that step and just keep relying on this instead of going out and trying to find that job like they are. I really salute those two young ladies. But thank you for helping clarify that for me. [LB148]

RUTH VINEYARD: Sure. [LB148]

SENATOR CAMPBELL: I think, Senator Kolterman, part of it has been to try to mirror what the opportunity is. My children are beyond the age of 26... [LB148]

SENATOR KOLTERMAN: As are mine. [LB148]

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SENATOR CAMPBELL: ...but if they were 22 or 23, no matter what great a job they had--and both of my kids had really good jobs when they got out of college--they could have still stayed on my insurance. And the debate in Congress really was, you know, they said, wow, let's keep...you can keep your children on no matter the income, no matter what. And there was a hue and cry for the fact that, hey, what about the foster kids here... [LB148]

SENATOR KOLTERMAN: Yeah. [LB148]

SENATOR CAMPBELL: ...who don't have that same opportunity? And that, it seems to me...how this program really started taking off from the ACA. That's why. [LB148]

SENATOR KOLTERMAN: Yeah. [LB148]

SENATOR CAMPBELL: I'm...I was surprised, too, because almost all Medicaid is income based. [LB148]

RUTH VINEYARD: Correct. [LB148]

SENATOR CAMPBELL: I mean, I can't think...there's...I mean, it is. It's just a part of it. And to not make this income based, I think, was the whole idea to mirror. And that's probably not a good answer for you, but... [LB148]

SENATOR KOLTERMAN: No, no, it is, Senator. And again, my main concern is...I don't mind this bill as it...if the fiscal note is accurate. [LB148]

SENATOR CAMPBELL: Right. [LB148]

SENATOR KOLTERMAN: I just need clarification on that back part of it. [LB148]

SENATOR CAMPBELL: Thanks for the questions. Okay. Thank you, Ms. Vineyard. [LB148]

RUTH VINEYARD: Thank you. [LB148]

SENATOR CAMPBELL: Other opposition to the bill? Anyone in a neutral position? Okay. Senator Crawford, as you are making your way, are there any items for the record? [LB148]

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BRENNEN MILLER: (Exhibit 11) We do, Senator, thank you, a letter in support from the Health Center Association of Nebraska. That's all I have. Thank you. [LB148]

SENATOR CAMPBELL: Okay. Senator Crawford. [LB148]

SENATOR CRAWFORD: Thank you. I appreciate your great questions and patience and I appreciate the...all the people that have come to testify especially those who came to tell their personal stories with great courage and that we have great expertise in this state on these matters. I appreciate that very much. First, I just want to make a correction. I misspoke and so I appreciate being able to correct the record. I said 98 currently covered when actually I meant to say 198. And actually, as we've just heard, that number is actually now 231. So that's even better news. So I also want to emphasize that the...in order to get this benefit you must be a state resident. So the person may come in from another state, but they have to be a state resident. They have to be here and be intending to live here. And as you've heard...how important it can be for students going to college. I think we could hear similar stories in terms of students who are starting their careers. And we are...hear from our employees over and over again how much we need work force. So this coverage, you know, could be an important stability...source of stability to allow people, if they're coming to our state to come to college here, coming to our state to join our work force, to be able to make sure their healthcare is covered in that point. And so I think it's very important that we use all the tools that we can to allow us to recruit people who are here to get their education and join our work force. So, Senator Howard, to your puzzle, I share that same puzzle. (Laugh) It's the same FMAP. There's no income requirement for this benefit so it should be a very simple process of qualifying if you were a former foster youth, period, the end. And so...and actually, so that was the first question I asked our state, and they clarified it wasn't their choice. That was the federal choice. So our office has continued to advocate to the federal government not to require that. It doesn't seem to make any sense. It just seems unnecessary administrative delay and work. So we will continue to advocate that. Other people are welcome to join in that advocacy before the rules are finalized to say, don't have these...don't make people check these other categories first. If they fit, put them in, and let's just keep it simple. So that's the story on that puzzle as far as I know. Now, while it is true there is no income requirement to qualify, it is the case that Medicaid is a secondary payer. So if someone is, you know, a former foster youth at age 23, gets a great job with great insurance coverage, that insurance coverage is what will pay healthcare as a primary. And they'd only have this Medicaid coverage as the secondary payer. So that's an important clarification on that front, I hope. And I appreciate the director's willingness to reach out to the other Medicaid directors in the other 11 states. We're happy to also reach out to advocates in those 11 states and see what we hear from them. So we'll have that information as well as we continue to discuss this issue. I think we already have had testifiers talk about the costs, so hopefully answered most of your questions. You have a sense that about over half would be uncovered if they weren't getting coverage through this. We have key costs in emergency room and uncompensated care. And in addition, we would have, you

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know, many costs in our justice system by people who are not getting behavioral healthcare and end up landing in our justice system which adds to those costs. The director noted that in the fiscal note they expected still very poor enrollment and that's what they put in the budget was poor enrollment for those estimates based on, you know, fairly poor enrollment for people who are in the...in Nebraska and eligible to receive this coverage. So I would want to emphasize, is that if the department did not include Nebraska coverage in the budget or underestimated Nebraska coverage in the budget on a program that already exists, the appropriate way to address that would be with a deficit appropriation next year, not putting that cost in a fiscal note for this bill this year, because this bill is outreach and covering that optional population. So I think that is the more appropriate way to think and talk about what the budget implications might be. So I hope I have answered most of your questions through that. But I'm happy to answer any remaining questions. [LB148]

SENATOR CAMPBELL: I just want to be sure you said they can come from another state but they have to then be residents here, reside here in Nebraska? But there's no time limit to that? [LB148]

SENATOR CRAWFORD: Time limit to the residency? [LB148]

SENATOR CAMPBELL: I think that Senator Riepe's question earlier was, then do they have to establish...it's like going to college here. I mean, do you have to establish residency here? [LB148]

SENATOR CRAWFORD: We will clarify that before they... [LB148]

SENATOR CAMPBELL: Can you check on that... [LB148]

SENATOR CRAWFORD: Yeah, we'll clarify that, exactly what that means. Okay. [LB148]

SENATOR CAMPBELL: ...because I think that's at the heart of the exchange... [LB148]

SENATOR CRAWFORD: Okay. [LB148]

SENATOR CAMPBELL: ...between Senator Riepe and Ms. Fraser Meints. [LB148]

SENATOR CRAWFORD: Okay. [LB148]

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SENATOR CAMPBELL: Okay. [LB148]

SENATOR CRAWFORD: We will clarify what that means. It...I just want to...in general... [LB148]

SENATOR CAMPBELL: Yeah, how does that work? [LB148]

SENATOR CRAWFORD: ...for Medicaid you have to be a resident, but for this population we'll clarify to make sure we understand exactly what that looks like. Thank you. [LB148]

SENATOR CAMPBELL: Okay. Thank you, Senator Crawford. And that concludes our hearings for the day. [LB148]

SENATOR KOLTERMAN: I just have one question. [LB148]

SENATOR CAMPBELL: Oh, I'm sorry, Senator Kolterman. [LB148]

SENATOR KOLTERMAN: Oh, that's okay. Senator Crawford, you young ladies over here are always talking in foreign languages to me. [LB148]

SENATOR CRAWFORD: Oh, okay, yes. (Laugh) Would you like a translation? [LB148]

SENATOR KOLTERMAN: Yeah. So what's an F... [LB148]

SENATOR HOWARD: FMAP. [LB148]

SENATOR CAMPBELL: Oh, FMAP. [LB148]

SENATOR CRAWFORD: Oh, excuse me. Oh. (Laugh) [LB148]

SENATOR HOWARD: Sorry. [LB148]

SENATOR CAMPBELL: Great question. [LB148]

SENATOR HOWARD: Great question. [LB148]

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SENATOR KOLTERMAN: Is it a fiscal map? [LB148]

SENATOR HOWARD: No, I'm so sorry. [LB148]

SENATOR CAMPBELL: No, no, federal. It's the federal matching rate. [LB148]

SENATOR CRAWFORD: Do you want to... [LB148]

SENATOR KOLTERMAN: Thank you very much. (Laugh) [LB148]

SENATOR RIEPE: Senator, could I ask a question? [LB148]

SENATOR CAMPBELL: Sure. [LB148]

SENATOR RIEPE: Thank you very much. What about undocumented? [LB148]

SENATOR CAMPBELL: They don't qualify. [LB148]

SENATOR CRAWFORD: They would not qualify. [LB148]

SENATOR CAMPBELL: No. [LB148]

SENATOR RIEPE: Okay. Just curious. [LB148]

SENATOR CAMPBELL: They would not. [LB148]

SENATOR RIEPE: Thank you. [LB148]

SENATOR CAMPBELL: Oh, hey. I don't think they would. [LB148]

SENATOR CRAWFORD: For... [LB148]

SENATOR HOWARD: Former foster youth? [LB148]

SENATOR CRAWFORD: Former foster...I mean... [LB148]

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SENATOR CAMPBELL: I don't know. We'd have... [LB148]

SENATOR HOWARD: I don't...we'd have to check on that. [LB148]

SENATOR CRAWFORD: Okay. [LB148]

SENATOR CAMPBELL: Senator Howard's question...I didn't think they would, but I see heads nodding no in the room but... [LB148]

SENATOR HOWARD: Yeah. [LB148]

SENATOR CAMPBELL: ...we'll check it. Thank you, Senator Riepe. That's a good question. [LB148]

SENATOR CRAWFORD: Okay. My understanding is no... [LB148]

SENATOR CAMPBELL: Okay. [LB148]

SENATOR CRAWFORD: ...from my understanding at this time. But we will confirm. [LB148]

SENATOR CAMPBELL: Okay. [LB148]

SENATOR CRAWFORD: We'll check. [LB148]

SENATOR CAMPBELL: All right. That concludes the hearings. Before you leave, can...how many people think that it does not include undocumented? Are we voting? [LB148]

_____: (Inaudible) [LB148]

SENATOR CAMPBELL: It does not. Okay. I think that's the consensus. [LB148]