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Health and Human Services Committee  
January 28, 2016

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[LB701 LB708 CONFIRMATION]

The Committee on Health and Human Services met at 1:00 p.m. on Thursday, January 28, 2016, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB701 and LB708, two briefings, and two gubernatorial appointments. Senators present: Kathy Campbell, Chairperson; Sara Howard, Vice Chairperson; Roy Baker; Sue Crawford; Nicole Fox; Mark Kolterman; and Merv Riepe. Senators absent: None.

SENATOR CAMPBELL: Welcome to the hearings of the Health and Human Services. We just have a great variety for you today. I am Kathy Campbell, and I serve District 25, which is east Lincoln, and chair the Health and Human Services Committee. I am going to have the senators introduce themselves to start out with, so...Senator?

SENATOR KOLTERMAN: I'm Senator Mark Kolterman from Seward, District 24.

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

JOSELYN LUEDTKE: Joselyn Luedtke, committee counsel.

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

SENATOR RIEPE: Merv Riepe. I represent District 12, which is Millard, Omaha, and Ralston.

ELICE HUBBERT: I'm Elice Hubbert, and I am the committee clerk.

SENATOR CAMPBELL: And are the pages here? I haven't seen them.

ELICE HUBBERT: No.

SENATOR CAMPBELL: I guess we'll have them introduce themselves later. Just a quick reminder to check your cell phones and make sure they're on "silent" or turning off or whatever. So this afternoon we are going to start with our DHHS Committee briefing. And CEO Phillips has come to start us off this afternoon. Welcome.

COURTNEY PHILLIPS: (Exhibit 1) Thank you, Senator Campbell and the rest of the members of Health and Human Services. And so I appreciate you giving us the opportunity to do a quick

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overview, because each director will come back and actually do a detail of their particular division. But at least I wanted to have a overview, in terms of where we've been the last year and where we're headed, so you have a idea for the departmentwide before we jump into divisions specifically. So you guys know what we do; we provide important and life-sustaining services to Nebraskans and, just overall, really getting back to the home of our mission, in terms of helping people live better lives. I'm really focusing, in terms of our core competencies and getting back to being open, transparent, and building some of those partnerships and relationships in order to...how do we move our goals forward for everyone in our community? So that's the stuff that we've probably been taking over the last several months. We've engaged you all quite a bit, I hope not overwhelmingly. But we really do appreciate the partnership that you all have formed with us, in terms of where we're trying to go and what are...you're hearing from your communities, in terms of, how do make some of those priorities and those initiatives happen? So thank you to each one of you for really taking time to meet with us, go through issues with us, and let us know what you're hearing and how we make things successful. So just real quick, in terms of our budget...our budget is \$3.5 billion. That's split between federal funds, general funds, and some of the cash. And I'll go through, in terms of what those percentages is. But our FTEs, 5,472, and that's pretty...goes up and down a little bit, but hovers around the 5,500 over the last several years. And you see a breakdown for each one of those particular divisions, as well as the FTEs. Of course, Medicaid is the largest and highest budget category in our division, followed by CFS. And we can go into that further, if you like, also. But also, where do we get our funding? So 49 percent federal funds equates to about \$1.5 billion, 46 percent general funds, \$1.4 billion, and about 5 percent from those cash funds, and that's about \$152 million. That equates to the \$3.5 billion budget in the department. So where do we spend our money? So about 75...79 percent of our dollars go to client benefits and services, and this includes things such as the Medicaid services, TANF, childcare, those type of expenditures. 6 percent goes to the state-operated services, which equates to our 24-hour facilities. And that amount also includes the salaries of those individuals working at the institutions. 12 percent to administrative services, which includes our salaries, rent, utilities, those type of operating expenses. And then about 3 percent to population-based services, in terms of our professional, occupational licensings that we do, facility licensure, the safe drinking water program, and our vital records program. So that's pretty much a split, in terms of where we're spending our dollars in a global high-level category. So just real quick, in terms of some of the things that we've done in 2015. So we'll talk about some of the things that we've done, and where we're headed in 2016. You all are very familiar with all of these, so just a quick highlight so you can remember as you're meeting with each one of the divisions. Our...the end of the DOJ at BSDC; you guys know that started in about 2008, and ended this past year. So our team is very proud of that. A lot of the work that was done at BSDC by those individuals there. We intend to keep the quality that we have there, in terms of those things that it took us to get this resolved. LRC, the regional, the Lincoln Regional Center, named one of the top performers by Joint Commission. Very proud of that effort there, because that's a heavy undertaking. Only 8 of the 25 Nebraska hospitals actually received this

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recognition, and Lincoln Regional Center was the only psychiatric hospital to receive this recognition. So very proud of the work there also. Last year we met all six of the federal child welfare standards. You all know we have new standards, and so we are working to ensure that we meet those, and working diligently on those, as well. Both YRTPs accredited by the ACA, so excited about that because that helps us with some of the, the measures and some of the priorities that we have there. Also, working to reduce state wards, and we've reduced this by 16 percent from January 2014 to December 2015. Our adoptions are up, as well. One of the areas that we'll talk about in 2016, that we want to work on, is out-of-home placements. And so that's the area that we're going to put some, some extra emphasis on this next go-round.

ACCESSNebraska...Senator Howard is extremely familiar with this, as well as the committee. But really excited in the work that we've done there, in terms of our timeliness, our SNAP timeliness, as well as our call wait times in both the Medicaid and the EA side. And so I think we are in very good standing with all of our measures right now, that we're spending the extra attention to. We have not lost any effort, in terms of our workgroup with

ACCESSNebraska...have really still continued to hit the ground running, still looking at what are some improvement opportunities that we have between EA and Medicaid. So our, our goal there is to continue that success and to see continual improvement. Also have implemented the ICD-10 coding changes on Medicaid. The veterans' homes and numerous deficiencies-free surveys at all the homes except for the Western Nebraska Veterans Home, and that one had one minor deficiency, still ranking above most of the national standards. So kudos to the veterans' homes. Also, on the prescription drug monitoring program, we received the \$3.5 million federal grants that we know that would help kick off and take that program to where we want it to be. Also, in terms of the \$6 million grant from the Helmsley Charitable Trust for the CPR requirements, we've received a few thanks from individuals who have actually have been recipients of using this, the LUCAS 2 devices. And so it was really nice to hear from those individuals that, that actually...the, the firefighters have used the LUCAS 2 devices and who have saved their life, were able to transport them successfully to the hospital. So it's really nice to see a lot of the training and things that we put in place, to hear the real-life story at the end of, the end of it. Also, our Nebraska Cancer Registry, for the 17th year in a row, met the Gold Standard. So we're very excited about that team and the work that they do, also. So, looking ahead, what's...what do we have cut out? And so this is , this is a snapshot. This is not everything, but these are some of the...just the things that we just pulled out for you all. So Heritage Health, the managed care for Medicaid...you all know that we got six bids in. And so we're diligently reviewing and hope to get that underway. We're excited at what 2017 will bring, as we look to that integration and improve some of our health outcomes and some of the quality measures that we have in place for that. The System of Care...we're continuing to refine that timeline, and we hope to unveil that very soon to be able to get out and start working with our stakeholders again, in terms of our phased approach, in terms of the system of care for children. It's going to be a critical component of our state, in terms of building behavior health services and looking at what we have and what is it going to take to bring us at that next level? And looking where the dollars are currently

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being spent, not just in state government, but across the board. Another area we're looking at, in terms of behavioral health, is supported employment and housing. And we know those are two areas that we have to focus on in order for the success of those individuals who enter into the behavior health realm, making sure that support in employment is available, as well as their housing needs. We released the Long-Term Supports and Services Redesign, the concept paper. And so we're constantly, we're (inaudible) working on that, in order to look at, where do we need to be? What do we have in place right now? And how do we redesign the system that we can ensure that we're taking care of that population, that they're getting the best services. Also, the expansion of Alternative Response for children and families. We're going to be rolling out, over the next year, to 30 additional counties, so we're excited to, to take that on in 2016. Again, ACCESSNebraska...we intend to continue to refine that and make improvements. For the developmental disabilities area, we're looking at working with the federal government, in terms of our waivers, across the board in all the waivers in DD and looking at, how do we align those to how we're operating and where we want to head. And so we've been working with them, in terms of an October 26 submission. So between October and December, we hope to submit those waivers to them. And they've been very favorable, in terms of some of the things that we're looking at in our waiver and rewrite of those waivers. And we intend to pull together a large stakeholder group, to provide that feedback all throughout the process versus waiting until we get CMS submission and then doing some stakeholder conversations. So we're putting together a workgroup. We're in the process of that right now. The other area we're working on in DD is application eligibility determination. We've heard from both sides, both our, our caseworkers as well as individuals on the other side who are trying to access services, of the difficulty and complexity of our application and the process, in general. And so we are taking a step back to look at that application. Does it make sense? Are...all the information we're asking for, and how are we processing? What does that timeline look like? Are we doing more paperwork versus supported case management? And so we're really taking a step back to look at that. And I've already made a few tweaks already in that process. Also, the MMIS system, continuing in that planning process and taking forward steps in that, as well. Public health accreditation...this is one of our priorities for 2016. We actually had the Public Health Accreditation folks in yesterday. So they closed out their site visit. They said, informally, they were very pleased with the progress and the submission of our state and the knowledge of our team and the involvement, in terms of the progress we've made over the last several months of doing cross-collaboration in-between the department and the other divisions in our department and the knowledge that individuals are starting to grasp on terms of public health. So we're excited when that submission happens, from that particular team of what will be our fate, in terms of accreditation for the Health Department. Typically, you see local health departments who have started the accreditation process, a very rigorous process for a state entity to undergo accreditation. So we have our fingers crossed and saying a couple of novenas on it. But I think we did well from the (inaudible) site visit. And the other piece that we've been working on is our legislative package this go-round. And so you all are all up to speed with that. Some of you have sponsored a few bills for us, and the others we've

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been working with you all, I think, pretty consistently. And so that's, that's our few priorities for 2016. We still have a list of things that we're working on, but these are just some high-level things that you can get a flavor of, what we're up to in 2016. And again, each one of the divisions will go through a few more details with you all. But I just wanted you to have a quick overview of where we were this past year and what we're looking forward to in 2016.

SENATOR CAMPBELL: Excellent. Thank you very much. Any questions from the senators on the report? Great start.

SENATOR CRAWFORD: Thank you.

COURTNEY PHILLIPS: Thank you all.

SENATOR CAMPBELL: Thank you. We'll move then to our discussions with Doug Weinberg, who serves as the director of the DHHS Division of Children and Family Services. And what we're doing for the committee's benefit is we're combining Director Weinberg's report to us and then our gubernatorial confirmation. So it kind of all goes together. A general question that we always ask every nominee is to tell us a little bit about yourself. So you may want to do this part first and then that part, whatever you'd like.

DOUG WEINBERG: Sure. I'll go through the update, and then I can delve into that part of my background.

SENATOR CAMPBELL: All right. Sounds great.

DOUG WEINBERG: Good afternoon, Senator Campbell and members of the Health and Human Services Committee. Just a quick overview of our Division of Children and Family Services within DHHS. Courtney touched on these numbers very quickly, our overall budget for the current state fiscal year, as well as our current number of FTEs. As you probably know, our division has two primary areas of focus. One is Protection and Safety, which includes our Child Welfare programs, our Adult Protective Services program, and what's left of our Office of Juvenile Services. This is basically the two YRTC facilities here in Nebraska. The second major part of our division is Economic Assistance and Child Support. So Economic Assistance, of course, is typically accessed through ACCESSNebraska. It includes a variety of different public assistance programs, such as ADC, childcare vouchers, SNAP, and so on. And, of course, Child Support Enforcement, Title IV-D, is also part of our economic support business unit. Within Protection and Safety, again to kind of add on and elaborate a little on Courtney's comments, we've had a number of accomplishments in the last year, year and a half. We launched

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Alternative Response in October 2014. We are currently active in five counties. In January we began expansion, our first phase of AR expansion. Six additional counties will have a second component of that Phase 1 in February and a third component in March. So by the end of March, we'll have AR rolled out in approximately 35 counties in Nebraska. Phase 2 of expansion is scheduled to begin sometime this summer. And then Phases 3 and 4, I believe, in the next calendar year. Federal measures...as Courtney mentioned, we hit six out of six CFSR performance indicators earlier last year, I believe late spring-early summer. We track those on a rolling 12-month average. And, as I have looked at our performance from month to month, there were a couple months where we slipped to five out of six. Good news is, as of December 31, we're at six out of six. As Courtney mentioned, the downside is, the rules are changing. Our performance measures will be altered significantly by our federal partners, beginning next year. And we're moving from six performance indicators to seven. We have been modeling those new performance indicators within our N-FOCUS system. So we're able to track at how we're doing against the new measures. And I'm pleased to say, as of December 31, we're at six out of seven, and we're very, very, very close to that seventh. So things are looking good for the implementation of those new standards. Bridge to Independence, another new program that we implemented in late 2014, currently serving about 158 young adults with wrap-around case management, as well as living assistance, from the ages of 19 to 21. Family Finding is a program that we continue to expand. It's kind of still in a pilot phase. We currently have three contracts in the eastern service area that are managed by NFC. We have Christian Heritage, who's been active in the southeast service area. We had our RFP released late last year; we awarded that RFP to Nebraska Children's Home Society to begin implementing Family Finding in the remaining three service areas: western, northern, and central. And finally, there's been a tremendous focus on relative kin placements, which kind of...it follows onto our Family Finding initiative. We've done a very good job, I think, of identifying what I would call "easy-to-find" relatives. Family Finding kind of takes it to that next level. It's an evidence-based practice, very regimented protocols to help our providers who provide that service...you know, identify more distant kin and relatives who may be appropriate placement settings for the youth we serve. But overall, we had success with our relative placement initiative. At the beginning of 2014, for example, of all of our placements, all of our out-of-home placements, 36 percent were with relatives. That number...that percentage increased, at the beginning of 2015, to approximately 46 percent and currently is running about 51-52 percent. So we're seeing some diminishing returns, as those relatives get tougher and tougher to locate, train, and you know, basically get involved, you know, with those children. But we are encouraged by the success, to date, with Family Finding. And we're optimistic that we'll continue to see more and more relative placements, when we have to remove children from their home. Kind of the upcoming...I like to call them opportunities, you know, looking ahead, we are, as I think you're all probably aware of...we've been in fairly intense negotiations with our partners at NFC, in the eastern service area, looking at a new contract, beginning July 1 of this year. And...but it's going to be different from what we do today. It'll continue to involve case management, but a very integral part of this new contract

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will be a well-defined pilot that's focused specifically on trying to reduce the number of youth that we remove from home, reduce the overall out-of-home placements for the children and families that we serve. We have seen an increase in out-of-home placements which, you know, is alarming to me. I think, at the end of last year, or at the end of 2014, we were about...I'm going to say around 59 percent, 61 percent of the youth we serve were in out-of-home placements. That number has gone up. It's currently about 64 percent. So we're looking at a number of different initiatives. I think a very significant one is this pilot with NFC, because, clearly, our highest proportion of out-of-home placements is in the eastern service area. The second major component of this new contract will be that it will be truly performance-based. We will be tying a fairly significant portion of overall contract consideration to a couple key performance indicators. We're also restructuring the way we pay NFC, moving from a dual case rate, where we have an out-of-home placement rate and an in-home placement rate, to more of a blended case rate for the variable component of the contract, which will clearly incentivize, you know, where possible, to try to keep children safely at home and avoid high cost and traumatic out-of-home placements. So we're very, very optimistic and will continue to move forward very encouraging signs through our negotiation. We're meeting, literally, weekly. And we hope to have, you know, final terms and conditions agreed to by the end of March and then have the contract drafted, approved for July 1 implementation. Case management continues to be a concern, in terms of turnover. Our turnover has been ranging in the mid-twenties. It's not bad, compared to some states and jurisdictions, but it's still too high. As you can probably imagine, every time we have a case manager leave, that involves case transfers. The children and youth involved with that case manager all of a sudden now have a new case manager. So they're going through trauma again. They're going through the same informational process of telling their story, building a relationship, trying to generate and develop trust with that case manager. So we've really been looking hard at what we can do, as an agency, to address case manager turnover. One thing we're doing, we have a small contract with an outside expert, to come in and look at our overall training program, not just the new-hire training through the University, but also everything we do in terms of ongoing training, supervisor training, you know. Are there things we can do differently, that may be more effective in preparing our new case managers and our ongoing case managers for the challenges that they face on a daily basis? In fact, I will be in the filming studio tomorrow. We are preparing a video for prospective case managers, on kind of the real-life, realistic view of a case manager, because I've learned, from working on both sides, the provider side as well as the state side, that all too often we have case managers who have very, very noble causes and desire and, you know, are very excited initially about coming on board and serving children and families. They get into the field; it's a very tough job, let me tell you. And after a couple of months, they get disenchanted. They realize, this is not as easy as I thought it was. So I want to make sure we're fair to people up front, that we let them know as much as possible what life is really like in the trenches. There's a lot of rewarding elements to it, but they'll see some very, very tough things. So, hopefully, that will help us hang on to some of the good people we bring on board and continue to reduce those turnover numbers. And finally,

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you know, I talked about trying to reduce out-of-home placements. We're looking at some new interventions. We are, literally, retooling our Intensive Family Preservation program. We're in the midst of some technical assistance from our federal partners in trying to convert that program to more of an evidence-based program. And we're also looking at some other evidence-based practices, such as family functional therapy, a multi-systemic therapy. There are proven interventions that may help us deal with the needs and issues that families we serve have. In terms of ACCESSNebraska, you know, Courtney touched on our success in EA with our ACCESSNebraska program. Some other statistics to kind of put things in perspective...you know, we're all aware of the horror stories of, you know, one-hour wait times, as recently as this past spring. The good news is, for the fourth quarter ending December 31, our average wait time was 4 minutes, 36 seconds. SNAP timeliness has been a big issue. At one point, I think we were last in the country, which is pretty disappointing, pretty embarrassing. We've increased that performance significantly; we've risen in the rankings. For the quarter ending December 31, our overall SNAP timeliness was 96.6 percent, and the federal standard is 95. Childcare Development Fund (sic: Childcare and Development Fund)...we were...have been under a restricted drawdown, which basically means we cannot receive any federal funding until all of our claims are personally reviewed by our federal partners. We've made a lot of progress in that area, not only with our own division, but with also with some of our subrecipients. My team and I were in Kansas City with our regional office for ACF about two weeks ago, and it's very, very encouraging to hear that our federal partners expect us to be off the restricted drawdown sometime this summer. So we'll continue to work in that direction. Again, looking ahead, in Economic Assistance, how do we get to that next level of performance at ACCESSNebraska? I had the good fortune of sitting in on a good portion of a strategic planning session that our EA team had a couple weeks ago. And I'm very, very encouraged that they're really digging in and trying to figure out, how do we get to that next level? What does that next level look like? And what do we need to do differently to get there? So I'm very, very pleased to say they are not resting on their laurels. They're not taking the foot off the gas; they are pushing hard. They like the success they've had, and they want to see more. SNAP timeliness...again, a lot of efforts in trying to maintain and continue to improve that. As you probably are all aware, we've been, you know, in a lawsuit with Appleseed on SNAP timeliness. I'm encouraged by some of the progress we've made, in terms of settlement discussions, and I think we're very, very close to finally putting that behind us. So that's another good, good piece of news. Employment First and the family focus case management...you know, as I look at, you know, the population we serve, both in EA as well as Protection and Safety, it's a lot of the same families. And I've told this to some of you in the past that people talk a lot about, you know, silos in state government and federal government. Well, as I looked at my own division, we had silos. I looked at Economic Assistance and Protection and Safety. And, all too often, they didn't know each other. They never talked to each other. They spoke two different languages. And the sad thing is, they serve the same children and families. And I am convinced, by looking at research and what's been done in other jurisdictions, that an effective economic assistance intervention can be a great child welfare

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prevention program. So we're looking at doing some different things in our Employment First program, which has kind of, you know, been focused on getting TANF recipients, ADC recipients, the kind of job training and skills, you know, to achieve sustainable employment and trying at expanding that focus, not only on the potential wage earner, but looking at the issues in the whole household, the whole family, because all too often, there are a myriad of issues involving children, spouses, live-in relatives that preclude an individual from sustaining long-term employment. So we're going to pilot this with both of our Employment First contractors, hopefully, beginning this summer. To really look at some of the neediest of the needy, and try to give them the supports, help them make the connections in the community. Help them build positive peer influence and pressure. Help them achieve, you know, overcome some of their barriers to employment and, you know, become self-sufficient long term, to try to put an end to some of that multigenerational poverty that we've heard so much about in recent months. And that is the end of my formal comments. Any questions?

SENATOR CAMPBELL: Questions? Senator Kolterman.

SENATOR KOLTERMAN: Thank you, Senator Campbell. When you talk about upcoming challenges and looking ahead, a couple of questions come to my mind. Turnover in your staff, you're going to do a lot of training, it sounds like, and you're trying to figure that out. What kind of a load can each person typically have in working with families?

DOUG WEINBERG: They typically, you know...we have two types of caseworkers. We have people that do initial investigations and then ongoing case management. For those that are assigned to initial investigations, they typically handle about 12 cases at any one time. For ongoing case management, it's typically around 17.

SENATOR KOLTERMAN: And are we, are we losing people in that area because of the caseload? Are we losing them because of the, the nature of the business? That's got to be a tough business.

DOUG WEINBERG: It's tough. There's, you know, there's obviously multiple reasons, those reasons vary from caseworker to caseworker. You know, when I look at our numbers, when I look at our positions, you know, we have enough approved positions to easily meet those 12 and 17 caseload standards. The problem is, as you have people leave, you have a vacant position. You hire somebody; they go through almost a year of training. It's basically a year before they're carrying a full caseload. So, in the meantime, the remainder of the staff is doing additional work, carrying some additional casework. You know, until we get fully staffed...well, we all know we'll never be fully, fully staffed. So, to the extent...but the extent we can reduce turnover will be a big step to having manageable caseloads for all of our employees in the field.

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SENATOR KOLTERMAN: And is that...are we competitive in our salary?

DOUG WEINBERG: From what I've seen, we are. You know, across the country, you know, there are some county-based systems; there are some state-based systems. We are definitely not out of line. I think we're pretty much right in the "mid-pack." And, you know, when we look at exit interviews, it's typically not money. It's typically one of two things. It's workload, and it's poor supervision. So, as I mentioned, as we're looking at overall training, it's not just caseworker training. It's also supervisory training. And there's a lot of good off-the-shelf supervisor training programs. But we need something that's really specific and unique to social workers, because what works for one type of employee won't necessarily work for another. And we're probably as guilty as any other industry. We tend to take our best caseworkers, and how do we reward them? We make them supervisors. And they may be great caseworkers, but, all too often, they're not very good supervisors. So we've got some work to do there.

SENATOR CAMPBELL: Follow-up question?

SENATOR KOLTERMAN: Go ahead. I have another question (inaudible).

SENATOR CAMPBELL: Senator Crawford?

SENATOR CRAWFORD: I have just a follow-up question to that. Thank you, Chairman Campbell. So you said that you thought the average caseload was around 17. When we had a briefing from the Office of the Inspector General, the report we had was at the end of July 2015, that the actual caseload was between 20 and 30 families in July of 2015. So it...are you saying the caseload is 17 if all the positions are filled, or is it the case that you would say that there was something unique about July 2015 that led to higher caseloads in that case?

DOUG WEINBERG: Yeah.

SENATOR CRAWFORD: Or how do...I'll just give you a chance to respond to that.

DOUG WEINBERG: Sure. Depending upon where we're at, at any point in time, with the number of vacancies and a number of new hires in training, it's possible, in certain areas, certain counties, we could be at 20 or in the low 20s for a period of time. I find it hard to believe that we have outliers that are upwards to 30. That would be very unusual, and that...I found that to be very surprising. But again, you know, as you take any snapshot in time, and those caseloads will vary, literally, from day to day, from county to county, from area to area.

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SENATOR CRAWFORD: Thank you.

SENATOR CAMPBELL: Senator Kolterman?

SENATOR KOLTERMAN: Thank you, Senator Campbell. A follow-up question...your NFC contract in your area pilot project that you're doing with out-of-home placements. How much is a...we had a program called Sixpence. Do you administer that, or is that done through the school system, or do you work hand-in-hand with the schools in Sixpence?

DOUG WEINBERG: I'm familiar with it; I know we're involved with it. I'm not quite sure how it's funded.

SENATOR KOLTERMAN: Okay.

DOUG WEINBERG: But I can get back to you on that. Yeah.

SENATOR KOLTERMAN: I'd appreciate that if you would. Thank you.

SENATOR CAMPBELL: A quick answer is, Sixpence is early childhood.

SENATOR KOLTERMAN: I thought it was.

DOUG WEINBERG: Yeah.

SENATOR CAMPBELL: And so may not...Sixpence really comes from more of an education base, I think.

DOUG WEINBERG: And I think we refer, you know, families with young children to Sixpence...

SENATOR KOLTERMAN: But...

DOUG WEINBERG: ...among other initiatives.

SENATOR KOLTERMAN: ...the point I was getting at is, because of programs like that, if we're training the parents properly, it's allowing them to stay in the homes.

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DOUG WEINBERG: Yes.

SENATOR KOLTERMAN: And out-of-home placement...I would hope that we are breaking down those silos with education...

DOUG WEINBERG: Um-hum.

SENATOR KOLTERMAN: ...as well as Health and Human Services. And we can work hand-in-hand to make...to keep kids out of the system.

DOUG WEINBERG: And I think we do a pretty good job of that, even in the greater Omaha area in the eastern service area. But, you know, as, you know, as I spent time with our partners at NFC, you know, looking at, you know, what capacity do they have to really deliver safety services, in-home safety services, you know, immediately, you know, literally, within an hour, you know, of a call? We need to build some capacity; there's no question about it. I think, you know, we've kind of fell into, almost, the habit of well, we'll remove and then we'll address the family's need. So a big component of this pilot is sort of like a Rapid Response Team, where NFC and DHHS goes into the home immediately together. And it does an immediate assessment of what emergency in-home safety services can we deploy to keep that child safely at home? In the event that we have to remove, can we wrap around services, literally within a day, so that that child, if he has, if he or she has to be removed, maybe it's only for 48-72 hours. By the time we show up in court for detention hearing, that child is back safely at home with adequate supports. So that's, that's a novel approach for us, probably statewide, not just in the eastern service area.

SENATOR CAMPBELL: Senator Howard?

SENATOR HOWARD: Thank you, Senator Campbell. Thank you for visiting with us today.

DOUG WEINBERG: My pleasure.

SENATOR HOWARD: In regard to the Rapid Response Team, are there any other states that send in two separate entities when there's a call?

DOUG WEINBERG: There are. There are, there are many, many states that have not "privatized" child welfare...

SENATOR HOWARD: Um-hum.

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DOUG WEINBERG: ...but yet, have contracts with providers that, in the sense, is very similar to privatized child welfare, where you have the state involved in the initial investigation and, either through a hand-off, or through some overlapped joint effort, at some point, turns the case over to a private agency that basically manage the service array, to meet the needs of that child, which is kind of what we're talking about with this pilot.

SENATOR HOWARD: So if, but...if I may...

SENATOR CAMPBELL: Sure.

SENATOR HOWARD: It sounds like you would have two people, the state and NFC, at that immediate call.

DOUG WEINBERG: That's correct.

SENATOR HOWARD: That's the intention.

DOUG WEINBERG: That is the intention.

SENATOR HOWARD: As opposed to a warm hand-off to the contractor,...

DOUG WEINBERG: Right.

SENATOR HOWARD: ...the contractor would be in the room. So it would sort of seem like there would be a duplication of effort. Is the intention that you would have some coordination or better coordination? Are we not seeing that coordination?

DOUG WEINBERG: Yes.

SENATOR HOWARD: Are we not seeing that coordination?

DOUG WEINBERG: The way, the way we would structure it...you know, right now we do a fairly early hand-off to NFC.

SENATOR HOWARD: Um-hum.

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DOUG WEINBERG: For that first, say, 30 days...let's just call it 30 days, because that will vary from case to case. But for the first 30 days, DHHS would retain case management responsibility. NFC would be responsible for services. So there would need to be a high degree of coordination those first few weeks. And then, once the assessment is completed, there would be a more orderly hand-off to NFC. You know, just through my own observing of, for example, Judge Johnson's courtroom...

SENATOR HOWARD: Right.

DOUG WEINBERG: ...in Douglas County. There were probably three people from DHHS, two people from NFC. And this was, you know, preliminary hearing, and I could sense the kind of the confusion of, well, was I supposed to be doing that? Or, what's my role? And we want to alleviate some of that.

SENATOR HOWARD: Okay. And so your intention, within the contract, is that you would clarify...

DOUG WEINBERG: Um-hum.

SENATOR HOWARD: ...some of these duplicated services.

DOUG WEINBERG: Absolutely, absolutely.

SENATOR HOWARD: Not just at the beginning, but also throughout the process, as well as in the courtroom?

DOUG WEINBERG: Yes, right. And again, this is...it's going to be launched as a pilot, so we will learn along the way, I'm sure. But I'm very encouraged by the enthusiasm on the part of, not only our staff, but also NFC, which, which is very, very endearing to me, because there's been some bad blood, clearly, between NFC and DHHS. Say, I'm not talking out of school here.

SENATOR HOWARD: Um-hum.

DOUG WEINBERG: And, you know, so we got to overcome that. You know, I keep on telling my staff, you know, let go. The past is the past. We can't change it. All we can do is improve the future.

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SENATOR CAMPBELL: Go ahead.

SENATOR HOWARD: And just as a point of clarification, you mentioned the turnover rate for your case managers was around 20 percent. Does that count the eastern service area?

DOUG WEINBERG: That would be statewide, yes.

SENATOR HOWARD: That's statewide, okay. Perfect, thank you.

SENATOR CAMPBELL: Other questions. Senator Crawford?

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. One of the areas that we've heard regularly is, as we're pushing to more kinship placement and more family finding, that raises issues of how to make sure we have licensed foster home and how to make sure we have resources to keep the children safe in those kinship homes. I wonder if you would comment on either efforts to improve, help kinship homes move toward licensure, and any efforts to improve safety and resources for kinship in homes.

DOUG WEINBERG: Well, one of the things that we are considering, that we're evaluating internally at this point, is, you know, do we approach licensing any different, going forward, compared to what we're doing today? So it's very, very early in those discussions, but we're clearly looking at that. I mean there's obviously...our federal partners are always pushing, you know, licensing, licensing, which has a lot of value. There's no question about it. And, at the same time, there's a lot of other supports we can provide, over and above just a, a daily per diem to either a license or an unlicensed caregiver. So this is all part of kind of what we're looking at, you know, maybe in our planning for next year.

SENATOR CRAWFORD: Um-hum. Thank you.

SENATOR CAMPBELL: But from that standpoint, the Title IV-E comes, if that home is licensed.

DOUG WEINBERG: It's eligible for IV-E.

SENATOR CAMPBELL: Right.

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DOUG WEINBERG: That's correct. If our waiver was to go away today, for all these increases we're seeing in relative placements, we would lose a lot of federal funding.

SENATOR CAMPBELL: Yeah. One of the issues, when Senator Coash introduced AR, and there was a lot of debate even among members of the (inaudible) of the Health and Human Services Committee, in terms of what should we require of a kinship home versus a licensed. And, and so some...there is some language in statute. So as you work through that, it might be helpful for the committee to know if there needs to be a change in that language in the statutes...

DOUG WEINBERG: Sure.

SENATOR CAMPBELL: ...because...and with the feds, if they would allow a slightly different definition, maybe, of license, to see whether we truly can draw down those Title IV-E funds.

DOUG WEINBERG: Absolutely.

SENATOR CAMPBELL: That's, that's certainly a big point, I know, for the department.

DOUG WEINBERG: Um-hum.

SENATOR CAMPBELL: Senator Howard, did you have a follow-up?

SENATOR HOWARD: Well, just to piggy-back off of Alternative Response. When it was first brought to us, there was a lot of conversations about its intention to reduce out-of-home placement. Are we seeing it meeting that goal?

DOUG WEINBERG: We are. The problem is with five counties, and with very restrictive eligibility criteria, I think we topped out at maybe 120 families. So, as effective as it may be, and it's probably too early to say with any degree of certainty.

SENATOR HOWARD: Um-hum.

DOUG WEINBERG: I'm encouraged by the numbers I'm seeing, but such a small population over a relative short period of time. It's probably premature to draw a lot of firm conclusions. But, you know, one thing I've shared with Senator Campbell is, you know, I think, down the road...let's, let's get in this first phase of expansion, let's kind of see how we do in 30 new counties. And what I'd like to do, maybe a year from now, is revisit those exclusionary criteria,

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maybe even revisit that roll-out schedule. I think they're both in statute because, you know, unfortunately, I think I have the numbers here. Of all the families in the state, if we apply the exclusionary criteria, we would have, at most, 800 families of...eligible statewide for Alternative Response, and less than 2,000 children.

SENATOR CAMPBELL: Okay. Director, one of the questions that was asked, and I believe Senator Kolterman did, and that was based on what, what follow-up or what investigation does the department do if there is a complaint of sexual abuse or abuse of a foster child by a foster parent? And Senator Kolterman had wanted that information. And I didn't know whether you wanted to cover that today.

DOUG WEINBERG: Well, I, you know, I can, you know, touch on...we obviously do investigate all those situations. What I could probably do is maybe collect a little more information so I can give you exactly a process and protocols...

SENATOR CAMPBELL: Okay.

DOUG WEINBERG: ...that are involved, because it's fairly extensive.

SENATOR CAMPBELL: Okay. Senator Kolterman, is that okay with you?

SENATOR KOLTERMAN: Yeah. I hadn't heard and I...and we'd asked that of the...

SENATOR CAMPBELL: Yeah.

SENATOR KOLTERMAN: ...of the...was it...it wasn't the Inspector General, but it was...

SENATOR CAMPBELL: Exactly. So if you could follow up and get us some information on that when...

DOUG WEINBERG: Absolutely. I can put some...

SENATOR CAMPBELL: That would be helpful.

DOUG WEINBERG: I can put a one pager together for you, and I'll lay this out.

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SENATOR CAMPBELL: ...because we want to emphasize, you know, and in a great part, so many foster parents do a great job.

DOUG WEINBERG: They do.

SENATOR CAMPBELL: But every once in a while, we run into that. And one of the federal benchmarks...I don't know if it's a new one, but old one was reabuse of a child.

DOUG WEINBERG: Um-hum.

SENATOR CAMPBELL: And so I know the department pays a close attention to that.

DOUG WEINBERG: Absolutely.

SENATOR CAMPBELL: Any other questions, Senators? What we may try to do is, as you're working through some of this, maybe do one more briefing before the end of the 60-day session; I don't know...(laughter), or this summer, when we're having an interim hearing, to follow up and see where you are on some of the planning that you've done.

DOUG WEINBERG: I'd, I'd be pleased to.

SENATOR CAMPBELL: But if you could get back to us on Senator Kolterman's, that would be helpful.

DOUG WEINBERG: Um-hum. Absolutely. We'll do that.

SENATOR CAMPBELL: Okay. Director, I think we'll move into the gubernatorial appointment part of this. And we've all been given a written statement, so you go right ahead.

DOUG WEINBERG: (Exhibits 1-2) All right. Well again, good afternoon, Senator Campbell and members of the committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I am the director of the Division of Children and Family Services within the Department of Health and Human Services. I've had the privilege, now, to serve in this role for actually almost six months...it'll be six months, I think, on Monday. I appreciate the opportunity to be before the committee today regarding my confirmation, as well as the opportunity I've had to meet all of you during my time here. I am very impressed with your commitment to the safety and well-being of Nebraskans. I will begin by sharing a little bit about my background, then talk about

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how I believe we can move forward together. My career really consists of two distinct components. The first part included various finance and corporate development roles in private industry in the energy sector, the second, beginning in 2001, in health and human services. Since that time, two great mentors have strongly influenced my second career: Dave Bundy, CEO of Children's Home Society of Florida, where I served as chief financial officer, and Judge Jim Payne, Director of the Indiana Department of Child Services, where I served as Deputy Director of Finance and Administration. Both gave me the opportunity to spread my wings far beyond finance and learn the program and services side of health and human services from the bottom up. It was their encouragement and guidance, along with what I learned in those positions, which broadened my experience and gave me the best preparation for this role. In Nebraska, we have a team of dedicated and talented professionals within the division who are eager to develop ways to improve the delivery and effectiveness of services to children and families in Nebraska. As you know, the division encompasses child protection and safety, adult protection and safety, economic assistance, child support enforcement, and juvenile services. Looking forward, I could go on about my vision...keeping children safe and helping families achieve self-sufficiency and success. What I would really like to discuss is how I can make a difference and how we get to where we want to go. Our division will foster: true public/private partnerships; holding our partners accountable while providing our full support; holding ourselves accountable; providing open and transparent communication; and creating a truly collaborative, win-win environment for all of our stakeholders. We will only succeed as a division if our partners are successful. The tasks and challenges ahead of us are far too great to overcome alone. There will need to be a collaborative effort among all stakeholders. Our priorities for the coming year include the following: reducing out-of-home placements in Protection and Safety through new interventions, such as Rapid Response Team pilot with NFC in the eastern service area and a retooled intensive family preservation program; expansion of Alternative Response; implementation of strategies to reduce Protection and Safety caseworker turnover; introduction of a new collaborative case management pilot in our Employment First program; and continued process improvements at ACCESSNebraska. I am excited about the future and look forward, with great excitement and optimism, to working with you as we strive to ensure that the citizens of our great state of Nebraska have the supports they need to live safe and stable lives. I am happy to answer any questions. [CONFIRMATION]

SENATOR CAMPBELL: Questions for the director. Going to have to answer any questions on the floor. [CONFIRMATION]

DOUG WEINBERG: Hey... [CONFIRMATION]

SENATOR CAMPBELL: Director, one of the points that you bring out in your report is that, obviously, the collaborative nature of where you want to go. Can you describe how you're setting up that collaborative with Probation? [CONFIRMATION]

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DOUG WEINBERG: Sure. We, we actually have standing meetings every other week. We meet an hour, typically 8:00 a.m., on, I think, every other Monday/Tuesday...it's kind of been working out. But I probably spend time with Jeanne and Ellen and/or Corey, literally, on a weekly basis, you know, bouncing around ideas, addressing issues. Sometimes, you know, in the fast-paced environment in which we live, you know, things slip through the cracks. But we're doing our best to have that open dialogue and how we can best serve the children and families that each of us are held accountable for. [CONFIRMATION]

SENATOR CAMPBELL: I think partly what we're all looking for in the future, and we certainly talk to Probation about this effort, is that we would be able to see the numbers wherever that child is, whether it's in the Child Welfare section or whether it's in Probation. Where are they? And how are their services? And, you know, that kind of information that can come to this committee... [CONFIRMATION]

DOUG WEINBERG: And we have so many crossover youth that are involved... [CONFIRMATION]

SENATOR CAMPBELL: Exactly. [CONFIRMATION]

DOUG WEINBERG: ...actively in both systems. So I've become involved with the Crossover Youth pilot programs. I've attended meetings in Sarpy County and Douglas County. So there's a lot of...there's room for a lot of collaboration. [CONFIRMATION]

SENATOR CAMPBELL: Senator Crawford? [CONFIRMATION]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. So your testimony has a lot of information about how you like to move, or where you would like to go, moving forward. So you've been here for six months. So what would you share as what you see as one of the major differences you've made, or a major success you've seen in just, in just this first six months? [CONFIRMATION]

DOUG WEINBERG: Well, I think if, if I had to, you know, mention one area where I think I've made progress...and that is just simply opening up the lines of communication, not just externally, but even internally, and again, among myself and my staff, as well as among staff members who are within our division. I think my biggest challenge, from the day I got here, was start to build a level of trust, and again, both internally and externally. We did some things that, you know, didn't earn a lot of trust in the past, that we need to overcome as a, as a division, as a department. So sometimes, almost at the expense of my internal staff, I've spent a lot of time

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outside the office meeting with judges, meeting with county prosecutors, meeting with other stakeholders, meeting with providers...try to begin that dialogue, to try to develop a common understanding of where we want to go, and to begin to develop that sense of trust and collaboration, because I truly believe, you know, we will only succeed if we can effectively work together. We all share the same goal and vision of where we want to be. Now how can we get there together? And it, it requires a leap of faith at times, clearly some trust. [CONFIRMATION]

SENATOR CAMPBELL: Exactly. Other questions or comments from the senators? Okay. I don't have any other questions, either. I would like to publicly thank the director and certainly CEO Phillips. Both of you have been...it's been a...fresh air to be able to have the ongoing communication with the department and with the director, any of the directors that we've had questions of. This is quite a difference from what we faced before. And you need to be commended for that. [CONFIRMATION]

DOUG WEINBERG: Thank you, thank you. [CONFIRMATION]

SENATOR CAMPBELL: And to CEO Phillips. Thank you very much. And we'll be well prepared when we go to the floor. All right. We will move to the gubernatorial confirmation of Shelly McQuillan. Is Shelly here? Please come forward. Have a chair, please. Oh, thank you. Well, I'm going to go ahead, if it's okay with you, and call you "Shelly." Did I say your last name correctly? [CONFIRMATION]

SHELLY McQUILLAN: (Exhibit 1) McQuillan. I think you got it. [CONFIRMATION]

SENATOR CAMPBELL: For the record, the transcript, would you spell your last name for us? [CONFIRMATION]

SHELLY McQUILLAN: M-c-Q-u-i-l-l-a-n. [CONFIRMATION]

SENATOR CAMPBELL: And Shelly, you've come all the way from Ogallala. [CONFIRMATION]

SHELLY McQUILLAN: I have. [CONFIRMATION]

SENATOR CAMPBELL: Did you have another meeting here or... [CONFIRMATION]

SHELLY McQUILLAN: I do tomorrow. [CONFIRMATION]

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SENATOR CAMPBELL: Oh, good, because we are always concerned when we have people travel a long distance, because this is...doesn't last very long. [CONFIRMATION]

SHELLY McQUILLAN: No, (inaudible) just fine. [CONFIRMATION]

SENATOR CAMPBELL: And I always feel, oh my gosh, for five or ten minutes, people have come to (inaudible). [CONFIRMATION]

SHELLY McQUILLAN: No, it's worth it. I have a daughter here, so we've got to go to lunch. So... [CONFIRMATION]

SENATOR CAMPBELL: Excellent, excellent. We like to hear that. We always start off...this is a, I would say, a more informal. So what we want to know is, tell us a little bit about yourself. [CONFIRMATION]

SHELLY McQUILLAN: Okay. We have lived in Ogallala for 18 years. Before that we were in Grand Island. I am a licensed social worker, and I work at Banner Health Hospital as a social worker and case manager. I spent several years in our regional prevention center, Region 2, as a prevention specialist, trying to curb our substance abuse issues in our, in our area. Raised three daughters in Ogallala and have one here in, well, in Omaha and then two in Chicago. [CONFIRMATION]

SENATOR CAMPBELL: Aha...okay. Questions, Senators, that you would like to ask Shelly about her work? Shelly, I have a couple. What prompted you to apply for the prevention board? [CONFIRMATION]

SHELLY McQUILLAN: My husband has been on the Nebraska...now I'm drawing a blank...family's council...oh, I'm drawing a huge blank...for years, and they reached out to me and asked me if I would be interested in this position. And I think it's important for western Nebraska to be included in a lot of the decisions that are made, just so that there's some representation of some of the hoops that we go through in our area and some of the issues and things that are facing the families that we work with. So I was excited to be a part of it and jumped forward. [CONFIRMATION]

SENATOR CAMPBELL: But you also come with the background of a CASA volunteer... [CONFIRMATION]

SHELLY McQUILLAN: Um-hum. [CONFIRMATION]

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SENATOR CAMPBELL: ...and on the board of TeamMates. [CONFIRMATION]

SHELLY McQUILLAN: Right. [CONFIRMATION]

SENATOR CAMPBELL: So you come from a perspective of knowing firsthand what is happening to the youth... [CONFIRMATION]

SHELLY McQUILLAN: Exactly. Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: ...in Ogallala. Interesting. And you are on the Ogallala Youth Committee? Is that right? Am I...did I read that right? [CONFIRMATION]

SHELLY McQUILLAN: I chaired the Ogallala Youth Committee for quite a long time. I'm no longer a member of it. But it...we recognized a lot of holes in what our kids were being offered and what they had available to them for safe and alternative activities. So that's kind of where that committee came from. We came from the grass roots and moved up and had some funding through Region 2 for some of our prevention programs or activities and things. And so that's still an active committee in our community. [CONFIRMATION]

SENATOR CAMPBELL: What's the most difficult for a community the size of Ogallala to put into effect a child abuse prevention program? [CONFIRMATION]

SHELLY McQUILLAN: Resources. And I'm sure that's everywhere. But definitely resources and the distance for us. And transportation is always an issue. We don't have public transportation. So if we would have families needing to get somewhere or access to certain things, I think the resources and the transportation would probably be two of the biggest hurdles for them. [CONFIRMATION]

SENATOR CAMPBELL: I would imagine. And by resources, you're talking financial resources and... [CONFIRMATION]

SHELLY McQUILLAN: Programs, financial... [CONFIRMATION]

SENATOR CAMPBELL: Everything. [CONFIRMATION]

SHELLY McQUILLAN: Yeah. Housing, you name it. Yeah, yeah, it's probably an issue. [CONFIRMATION]

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SENATOR CAMPBELL: Certainly the purpose of the Child Abuse Prevention Board was to help communities with grants to start programs. I should think that your experience in Ogallala would be particularly helpful to them as they review grants from communities like Ogallala... [CONFIRMATION]

SHELLY McQUILLAN: Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: ...and what's necessary. Sometimes we think well, there's not the programming out there the size of what we would see in Lincoln or Omaha. But it doesn't mean that those programs don't exist; they're just done in a little different way. So... [CONFIRMATION]

SHELLY McQUILLAN: Um-hum. If we can help one or two, that's one or two that didn't get the help before. So... [CONFIRMATION]

SENATOR CAMPBELL: Absolutely, absolutely. Any other concerns or questions? Senator Riepe? [CONFIRMATION]

SENATOR RIEPE: Senator Campbell, thank you. Thank you for making the trip up. What kind of programs do you have, in terms of smaller communities, that would rescue? Because oftentimes people know people, and so that becomes very personal...or interrelationships. In larger metropolitan areas like Omaha, we have Project Harmony, which is a fairly big operation, but pretty enormous, just given the absolute numbers. How does that work in communities...rescue...how do you pull those kids out of those homes? [CONFIRMATION]

SHELLY McQUILLAN: Well, it would, it would be through law enforcement, obviously, the physical pulling out of the home. And then, as far as direction for them, we do have our social workers with Health and Human Services that would help with placement. But even just with my time with CASA, a lot of those that we don't have families in our area that would be able to foster a kid, or a... [CONFIRMATION]

SENATOR RIEPE: Do not. [CONFIRMATION]

SHELLY McQUILLAN: We have some, but it's very limited. [CONFIRMATION]

SENATOR RIEPE: Oh. [CONFIRMATION]

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SHELLY McQUILLAN: So a lot of our kids then get into the foster care system, and they'll go 90 miles and, you know, different school district, different time zones a lot of times, and a completely different area for them. So we don't have a lot there, at this point. I know that there's...you know, you hear all the rumors of the things that people are trying to bring into town, and I've yet to see it happen. So... [CONFIRMATION]

SENATOR RIEPE: Um-hum. Given that, do you sense that there's then more of a reluctance to execute on problems? If it's 90 miles away, you might say well, let's wait another two weeks and give it a try. (Inaudible). [CONFIRMATION]

SHELLY McQUILLAN: You know, I don't have a lot of direct involvement with that. And I just...you just hear word-of-mouth things, things like that that have gone on. So I don't know how founded some of those thoughts are. And just with some of the families that I have been involved with, if there's, if there's acceptable family close-by, a lot of times those people are looked at, too. So... [CONFIRMATION]

SENATOR RIEPE: Um-hum. We really can't have two standards. But you kind of said everything that, you know...it's not one size that fits the whole deal. So... [CONFIRMATION]

SHELLY McQUILLAN: No, you got to...yeah, you got to look at the bigger picture. So... [CONFIRMATION]

SENATOR RIEPE: Yeah. And for us to understand it, at least me personally. So thank you very much. [CONFIRMATION]

SHELLY McQUILLAN: Yeah. [CONFIRMATION]

SENATOR RIEPE: So thank you very much. [CONFIRMATION]

SHELLY McQUILLAN: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Thank you. Any other questions? Thank you very much for appearing before the committee. What happens next is we vote on your appointment. And I see, from the smiles on the faces, I don't think that's going to be a problem. [CONFIRMATION]

SHELLY McQUILLAN: Um-hum. [CONFIRMATION]

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SENATOR CAMPBELL: And we go to the floor of the Legislature and certainly then recommend your appointment. [CONFIRMATION]

SHELLY McQUILLAN: Okay. [CONFIRMATION]

SENATOR CAMPBELL: And you will be notified of that. But I'm assuming that you may have already started work with it. [CONFIRMATION]

SHELLY McQUILLAN: Tomorrow is my first board meeting. [CONFIRMATION]

SENATOR CAMPBELL: Tomorrow. [CONFIRMATION]

SHELLY McQUILLAN: That's what brought me up here today. [CONFIRMATION]

SENATOR CAMPBELL: Good, good. [CONFIRMATION]

SHELLY McQUILLAN: So everything worked out really well. [CONFIRMATION]

SENATOR CAMPBELL: Well, we try to do that, and much credit goes to Elice, the clerk. We're trying hard to make sure that we're not duplicating on people's trips to Lincoln and imposing on their time. So... [CONFIRMATION]

SHELLY McQUILLAN: Nebraska Children and Family Foundation...I knew it would come to me. That's who my husband is. He's... [CONFIRMATION]

SENATOR CAMPBELL: Oh, of course. And we've worked with them a lot. [CONFIRMATION]

SHELLY McQUILLAN: And he's here today for a meeting with them. So it worked for both of us. [CONFIRMATION]

SENATOR CAMPBELL: Good. Well, we can't thank you enough for your willingness to step forward. All of these boards and commissions work off of the volunteer nature, good-hearted Nebraskans who say, I can make a difference and serve. So thank you very much. [CONFIRMATION]

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SHELLY McQUILLAN: Thank you. Thank you for your time. [CONFIRMATION]

SENATOR CAMPBELL: Have a safe trip back to Ogallala. [CONFIRMATION]

SHELLY McQUILLAN: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: All right. We are finally to the calendar for the regular hearings this afternoon. I want to...I'll go through some of the procedures for the regular hearings, once again reminding anybody who walked in, don't forget your cell phone. Make sure it's turned off or on silent. If you are testifying before the committee with handouts, we would like 20...or 15 copies. You do not need to have a handout, however. If you are coming to testify, we need you to complete the orange sheets on either side of the hearing room as legibly as you can. And when you come forward, you can hand your orange sheet to Elice. And if you have handouts...I keep...oh, there she is...hand it to the page, and she will distribute those copies for you. In the health committee, we do use the light system. So you start with five minutes, and it'll seem like it's green for a long time. It goes to yellow, which means you have one minute, and then it will go to red. And you'll look up, and I'll be trying to get your attention. With that, we will open the hearing today on LB708. Senator Bolz's bill to provide for a memory care endorsement under the Health Care Facility Licensure Act. Senator Bolz, good to see you. [LB708]

SENATOR BOLZ: Thank you. [LB708]

SENATOR CAMPBELL: So whenever you're ready, you can go right ahead. [LB708]

SENATOR BOLZ: (Exhibits 1-3) Good afternoon. I am, in fact, Senator Kate Bolz, that's K-a-t-e B-o-l-z. And I'm pleased to bring you LB708, which is a product of the work of the Aging Task Force (sic: Aging Nebraskans Task Force), of which Senator Campbell is a member. And we appreciate her hard work. It relates to Alzheimer's Disease and dementia. And these diseases are often heartbreaking, and they're always serious. Statistics show that the prevalence of this disease is increasing, and the number of people in Nebraska is expected to rise to over 40,000 by the year 2025. So the good news is that there are talented and passionate providers in aging services that really want to provide the highest quality services to individuals in assisted living settings. And I want to just tell you a brief story about a provider and one of the individuals that she served. In my work with the Aging Task Force over the summer, I discussed these ideas with a provider who told me the story of a gentleman we'll call "Gene." And Gene was a former English professor, but was diagnosed with Alzheimer's and dementia and ended up in an assisted living facility. One of the things that can happen when you have such a disease, is that you're communication faculties aren't what they used to be. Another thing that can happen is that you become more emotional. And they were experiencing this with Gene, particularly as he became

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more and more frustrated with his decreasing faculties and in his verbal communication. And as he progressed and got worse, the staff had a hard time keeping up with Gene, who was a grown man. Eventually they decided to go to a training, and they learned alternative communication strategies for Gene. And they found that non-verbal communication worked much better with Gene, because then he didn't get as frustrated with what he used to be able to do really well and could no longer do with much success. So that's oversimplified, and the providers in the room can talk to much more detail. But it gives you a sense of how providers are learning to respond to the depth of problems that come with Alzheimer's and dementia. So LB708 is a bill that would create a high-quality standard endorsement for assisted living facilities that want to serve individuals with Alzheimer's and dementia. The endorsement would build quality and capacity in service providers to serve growing demand. The endorsement would reflect the highest quality in staffing patterns, programming, safety, and other factors. Those are the criteria that are listed in the bill that is in front of you. But the specifics would be developed through rule and regulation. It would benefit providers by allowing them to promote their endorsement to those seeking great care for their loved ones. The bill also directs the Department of Health and Human Services to develop a rate study to assess the opportunity to provide a higher rate to assisted living facilities that qualify for this endorsement. So such a rate could ultimately, in the future, incentivize assisted living facilities to care for higher-need individuals, rather than recognizing that they cannot serve those high-need individuals at a higher level of care and arranging for those folks to move to the nursing facility level of care. I want to give you just two brief notes regarding the content of this bill. And one is just a piece of clarification. You may have in your districts, or you may be aware that there is already a designation called a special care unit, which may serve individuals with Alzheimer's and dementia. So there are 63 such units, with approximately 1,132 beds, which I'll just note is a very small percentage of the projected 40,000 individuals who are projected to have the disease going into 2025. But just to be clear, these units self-declare that they provide services for individuals with Alzheimer's and dementia. And under this bill, those units would continue to serve those individuals. The difference is we are creating a high-quality, high standard, high bar for Alzheimer's and dementia care specialized endorsed assisted living facilities that would create the best possible services for individuals with Alzheimer's and dementia. So we're taking it up a notch. The other piece that I want to clarify is that my intention, as I brought this bill, was that it would apply only to assisted living facilities. We had lots of good ideas and lots of discussion in the Aging Task Force, and the bill draft didn't use that specification which I intended to focus just on assisted living facilities. So that...I take responsibility for the lack of precise language in the bill draft. But my intention is that this would apply to assisted living facilities, and that would be reflected in the amendment that I've shared with you. It would also, my perception is that it would decrease the fiscal note, because it would decrease the number of facilities that would apply for and receive these endorsements. So I will wrap it up, but I want to share just a couple last things. One last thing is that I think this truly has the ability to create cost savings. And the fact sheet that we sent around illustrates the difference in cost between an assisted living facility and a nursing facility level of care which...I believe on

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your fact sheet the difference is \$36,000 versus \$7,000. If we're able to provide an alternative rate for assisted living facilities that serve higher-need individuals, we can serve those folks at that level of care with some additional resources, but still, in the long run, create a cost savings, because people aren't moving to the highest-cost, most-intense level of care. And the last thing I have to say is that there is some precedence for this. Both Oregon and Indiana have similar endorsements and similar adjusted rates. And this is one of the ideas that is coming from leaders in the aging area. And it's specifically from LeadingAge, which is a national organization that's promoting best practices in senior services. So with that, I will wrap it up and take any questions. [LB708]

SENATOR CAMPBELL: Senator Baker. [LB708]

SENATOR BAKER: Thank you, Senator Campbell. Senator Bolz, will this change in language make a difference when it comes to whether or not Medicaid, Medicare, long-term care insurance, those types of things, pay? [LB708]

SENATOR BOLZ: So an individual, assuming that we have...we, this committee, is benevolent and, you know, wants to move forward with this idea, and we establish facilities that have the endorsement, individuals that are in those facilities will have multiple ways of paying for that. It might be insurance; it might be out of pocket. Or it might be Medicaid. But I think the potential for cost savings comes in serving those individuals who are Medicaid-eligible that we do not need to serve at the highest, most expensive level of care. Does that answer your question? [LB708]

SENATOR BAKER: So is there a "yes" in there somewhere? It might help. [LB708]

SENATOR BOLZ: Yes, people pay through all those pay sources. And yes, someone paying, regardless of how they're paying, they can access an endorsed facility. [LB708]

SENATOR BAKER: Thank you. [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CAMPBELL: Questions? We'll do Senator Howard and then Senator Riepe. [LB708]

SENATOR HOWARD: Thank you, Senator Campbell. You mentioned that you didn't think that very many facilities would apply for this. How many do you estimate? [LB708]

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SENATOR BOLZ: I'm sorry; I may have not communicated clearly. The...what I was trying to communicate was that, with the amendment, the types of facilities that could apply would be narrowed. So the fiscal note would probably follow and we wouldn't need as many, as much administrative staff or licensure staff. But I think you'll hear from assisted living providers, the assisted living...one of the assisted...one of the senior care provider associations will be testifying today. I think there's a great interest in this, and one of the...by the providers. And one of the reasons is that, you know, a lot of these organizations are mission-driven organizations. And they want to continue serving people in their communities and the places where they're comfortable. But the costs of providing services to individuals with Alzheimer's, even early-onset Alzheimer's, and dementia can increase and can expand beyond what an assisted living facility can bear. So I hope I answered your question, Senator Howard. [LB708]

SENATOR HOWARD: Yes, thank you. [LB708]

SENATOR BOLZ: Okay. [LB708]

SENATOR CAMPBELL: Senator Riepe? [LB708]

SENATOR RIEPE: Thank you, Senator Campbell. Thank you, Senator Bolz, for being here. Now I guess, coming from a healthcare background, one of the concerns, and I think, you know, the need is growing; the need is clearly there. One of the questions, though, that I do have is, and I quote from the documents here...it says, quote unquote: doing so will eventually reduce state Medicaid and other expenditures down the road, as well as improved quality of care. Hey, I'm always concerned about Wimpy's statement of: I would gladly pay you Tuesday for a hamburger today. You know, the "down the road" is always tougher financially-oriented people. [LB708]

SENATOR BOLZ: Um-hum. Fair enough. I guess one way...there are lots of ways to, to respond to that concern, which is, which is absolutely fair. One way to respond is that the, the cost of implementing this legislation is, is the cost of less than one person moving to the nursing facility level of care over a year. You know, we, we, we could help one less person need to move to a higher level of care by helping facilities increase their capacity. And we've covered the cost of this bill. Why, why that language is sort of subjective is that this bill would require the Department of Health and Human Services to do a cost study about the potential for cost savings. We have, we have a good, educated assessment that we think that this kind of approach really could create cost savings by keeping people at a lower-cost level of care. But we want the Department of Health and Human Services to do that analysis and prove it to us. [LB708]

SENATOR RIEPE: Um-hum. [LB708]

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SENATOR BOLZ: And they'll be able to prove that to us, by assessing the number of individuals who are currently in assisted living facilities that have an Alzheimer's or dementia diagnosis, the number of people with, maybe, early-onset Alzheimer's or dementia who have by, because of no other options, moved into that nursing facility level of care. So I, I hope I've answered your question. [LB708]

SENATOR RIEPE: Um-hum. [LB708]

SENATOR BOLZ: But I, you know... [LB708]

SENATOR RIEPE: Would it also serve...is it your intent that it would serve as an inducement for nursing homes to take more typical patients they might otherwise pass on if that Medicaid rate is set? [LB708]

SENATOR BOLZ: I, I think that's exactly right...not only induce them to take on individuals who have this diagnosis, but also to retain the individuals that they do have for a longer period of time. [LB708]

SENATOR RIEPE: Um-hum, okay. Thank you. [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CAMPBELL: Plus it clearly sends a message to the consumer with this endorsement. Would it not? [LB708]

SENATOR BOLZ: I absolutely think so. And I think whether it's a for-profit facility or a nonprofit facility, you know, someone...a facility that's serving mostly Medicaid or not serving mostly Medicaid, it really could offer an alternative for families who want to, want to access the best-quality care for their loved one. [LB708]

SENATOR CAMPBELL: And I think sometimes there's been confusion on the part of consumers, because if they say, well, yes, we do care for them, but this endorsement would give a lot more information to the consumer what they could expect for their loved one. [LB708]

SENATOR BOLZ: Um-hum, that's absolutely right. And much of that detail would come through rule and regulation, and you'll hear today from Dr. Kelly, who's got some great thoughts

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and ideas about what that looks like. If you're, if you're interested in the details, I have the model handbook from Ohio, which outlines that in great detail. [LB708]

SENATOR CAMPBELL: Senator Crawford? [LB708]

SENATOR CRAWFORD: Thank you, Chairwoman Campbell. And thank you, Senator Bolz, for this, for the bill and thinking about how to improve the care, the memory care, and improve consumer choice. It's been brought to my attention that we have some language in our assisted living facilities that restricts nursing care. So, while I know the focus of your bill is the rules and regs component,... [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CRAWFORD: ...you might just check that... [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CRAWFORD: ...nursing... [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CRAWFORD: ...language in case it needs to be changed to be able to create the kind of care that you're thinking about in, in this kind of a program. [LB708]

SENATOR BOLZ: Right. And some of the, the experts behind me may, may have some specific responses or ideas about that. But I guess I would, I would say that the concept still stays in that social model, which is what we think about when we think about assisted living versus a more medical model, which is done at the nursing facility level of care, but would create quality criteria relating to the staff, to individual ratio or the type of programming or the kinds of training in the skills and abilities of people who are working with this population. [LB708]

SENATOR CRAWFORD: Okay, thank you. [LB708]

SENATOR BOLZ: Um-hum. [LB708]

SENATOR CAMPBELL: Any other questions, Senators? Senator Bolz, will you be staying to close? [LB708]

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SENATOR BOLZ: Um-hum, okay. Thank you. [LB708]

SENATOR CAMPBELL: Okay. I do want the committee to know that Senator Bolz and her staff have spent hours on the Aging Nebraskans Task Force and did a terrific job in terms of bringing recommendations. So if you haven't had a change to look at that report, I'd highly encourage it. We'll take our first proponent for the bill. Good afternoon. [LB708]

JULIE KAMINSKI: (Exhibits 4-5) Good afternoon. My name is Julie Kaminski, K-a-m-i-n-s-k-i. And to start off, Senator Crawford, there is a group that...a collaborative group of many different disciplines that's kind of looking at the role of the nurse... [LB708]

SENATOR CRAWFORD: Um-hum. [LB708]

JULIE KAMINSKI: ...and the scope of practice at assisted living. You know, I think the way the bill is currently crafted, it could still fit into the existing regulations of assisted living. But, realizing that we have people aging and placed in assisted living that we're looking at...we're calling them health maintenance activities...that would kind of expand a little bit what could be done. And we're kind of taking our time and really looking at what's going on in other states. [LB708]

SENATOR CAMPBELL: Excellent, thank you. [LB708]

JULIE KAMINSKI: But that is, that is going on in our state right now. I'm Julie Kaminski with LeadingAge Nebraska, and we represent the nonprofit providers in the state of Nebraska. Together our members serve over 5,000 Nebraskans in a variety of settings, from nursing homes, assisted living, independent living, affordable housing, Adult Day, and PACE. So we support LB708, and, as you heard Senator Bolz say, the endorsement would create this memory care endorsement, which I think, you know, would really do two things. It helps create clarity for providers, but also for family members who are searching for memory care support. And, you know, Alzheimer's disease is, as they mentioned, is the most expensive disease in the nation. It is growing right now. The cost in 2015 was estimated at \$226 billion and growing to \$1.1 trillion in 2015...or in 2050, excuse me. You know, a lot of things that this endorsement would do, but we really feel that it would create memory care communities that have a secure environment that is staffed appropriately by individuals who really understand the subtle nuances. You know, I was in Boston this year, this past fall, and participated in a training with a national trainer on Alzheimer's. And she critiqued us, so we actually had a resident there and I got a C. And I've been in this field for 15 years. So it, it really takes some training, you know. And it's just simple things like you don't, you know, go right up to them; you kneel down to their level. You kind of approach, she always said approach from the right side, not the left side. And it's little things that

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we need to make sure that our caregivers understand this, so that they can really give that person-centered care to really make those last years of their lives worth it. So we believe that creating this at the assisted living level will help our residents age in the least restrictive environment possible. You know, I was doing member visits this morning, and I happened to stop at an assisted living. And they take a lot of Medicaid, and he said they've kind of had to cap the Medicaid they're taking at assisted living from a cost perspective. And I've included what the current rates are, both there's an urban and a rural rate, and then some listing of rates across the state. So in Omaha, his rates were \$4,535, Lincoln's \$4,750, and Broken Bow was \$4,850 a month. And that's for a private-pay, private-pay Alzheimer's assisted living. Now our Medicaid rate currently is almost half that. The urban rate is \$2,631 a month, and the rural rate is \$2,334 a month. So he said he had this woman who had been on his wait list for about a year, and he had called her last week. And she had had to move to a nursing home because she could not find a placement. And this was in Omaha. So I, I think our providers are having to make choices, that they're capping the number of people they're taking for Medicaid assisted living if they have Alzheimer's, because it really...it costs more to do it well. I mean, anybody can provide it, but to do it well, you need increased staffing, but you need trained staff that knows what they're doing and then that programming. So, you know, there's two pieces that go with this: that the endorsement will set that standard, and then if we can get the rate tied to it so that we can increase people to take more. And, you know, if you look at...I included a list that's alphabetical, by city, of where our providers are. The majority of them are sitting in Omaha and Lincoln. And our hope is that if we can create this endorsement, that it will open it up so that we can start serving our rural areas that are really underserved when it comes to Alzheimer's support and,, really Alzheimer's options. And as Senator Bolz mentioned, there are other states that are currently...offer this type of program. Other ones that she didn't mention...Illinois did a pilot, Virginia has a special rate that's tied to it. So I think this is...you know, we're somewhat of a trendsetter, but not really. There's other states that have found this to be a cost saving. And Senator Riepe, I know your question is, you know, when will it save us? I truly think we'll see that immediately. And the fact that we're going to have people...you know, I'm looking at this woman who went to a nursing home at \$70,000 a year who could've been served in at least, you know, less-restrictive environment, but can't find somewhere to go because it's, it's challenging for providers to take the current level of Medicaid reimbursement. So the last piece is that LeadingAge Nebraska would just like to be a part of when the Department creates the application and sets the qualifications for the memory care endorsement. And we respectfully ask you to support LB708. [LB708]

SENATOR CAMPBELL: Questions for Ms. Kaminski? Senator Fox. [LB708]

SENATOR FOX: Yeah. Thank you for testimony. [LB708]

JULIE KAMINSKI: Sure. [LB708]

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SENATOR FOX: And so a question I have is, what specifically...it's been said here that Alzheimer's disease is the most expensive condition in the nation. What specifically is contributing to that? Is it solely the fact that a lot of these individuals are requiring placement, and it's placement costs? [LB708]

JULIE KAMINSKI: You know, it, it's... [LB708]

SENATOR FOX: ...over the home care? [LB708]

JULIE KAMINSKI: It could be home-care costs, it could be assisted living, it could be nursing home. This is the cost in general. But... [LB708]

SENATOR FOX: And it's the care. [LB708]

JULIE KAMINSKI: It's the care. That's the idea. [LB708]

SENATOR FOX: It's the caregiving. [LB708]

JULIE KAMINSKI: ...and then a variety of sendings, whether that's in their home and it's the caregiver having to miss work because they can't... [LB708]

SENATOR FOX: Grass roots, (inaudible) factor. [LB708]

JULIE KAMINSKI: ...stay with the individual. But it's the entire care-giving continuum. [LB708]

SENATOR CAMPBELL: Senator Riepe? [LB708]

SENATOR RIEPE: Thank you, Senator Campbell. You know, we often hear about these things. I, I guess I'm looking for some way we...we like facts, we like documentation. It'd be interesting to know on, you know, Mrs. Smith or Mr. Smith, that this is the way it would have gone. And some way or another we almost have a journal that says, these are real-life cases... [LB708]

JULIE KAMINSKI: Um-hum. [LB708]

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SENATOR RIEPE: ...so that, if nothing else, that we can feel better for making, you know, additional expenditures. [LB708]

JULIE KAMINSKI: Um-hum. [LB708]

SENATOR RIEPE: I always have the problem, being an administrator by type of...well, I have finance by type...is program and rate and FTE creep. There's a tendency in organizations...they grow and then you have to go in and purge them to try to get back. And so my question is, is what is the...what's included in the basic cost and then what do we, as a state, have to pay a la carte for? [LB708]

JULIE KAMINSKI: Um-hum. [LB708]

SENATOR RIEPE: And this sounds like this might be part of an a la carte piece that...this is an extra. [LB708]

JULIE KAMINSKI: It...and I think the way the bill is set up is it's...so you've got the base Medicaid waiver assisted living rate. And if the facility meets this criteria and serves the Alzheimer's it would be an additional rate. But I don't think it's every service they provide; it's for all those services wrapped into one. [LB708]

SENATOR RIEPE: Are there... [LB708]

JULIE KAMINSKI: So for example, maybe \$10 a day... [LB708]

SENATOR RIEPE: Yeah. [LB708]

JULIE KAMINSKI: ...you know I'm just throwing out a number, whatever that might be. But I, I think that lends to it. It's critical for the Department to do that rate study. And nursing homes have to submit data on, on their residents. And so I think easily the department could look to see who's been admitted with an Alzheimer's diagnosis, and see if we could get some of that quantitative data that... [LB708]

SENATOR RIEPE: Um-hum. [LB708]

JULIE KAMINSKI: ...would, you know, help...I think help everybody feel like we're on the right path. But I do think we are. [LB708]

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SENATOR RIEPE: Where I come from, a little bit of my simple mindset is, is how many more things are on the menu to get the \$10.00 for the dementia and then you get another \$5.00 for this and... [LB708]

JULIE KAMINSKI: Um-hum. Yeah. [LB708]

SENATOR RIEPE: I...my late wife's mother is in the nursing home. And to try to look at that bill and sort it out was not much better than... [LB708]

JULIE KAMINSKI: Right. [LB708]

SENATOR RIEPE: ...trying to look at a hospital bill to see, you know, what are you getting charged this for and that for. And you kind of just end up...you write the check. [LB708]

JULIE KAMINSKI: Right. And I know, a lot of times on the private-pay side, they'll, they'll charge for different levels of care, where I believe the way this is crafted, you would get a rate for all the services that are provided. It wouldn't be an additional add-on for, let's say, a bath and then for an additional activity or an additional staff member. All of that would be lumped into that rate as opposed to another nickel and dime. [LB708]

SENATOR RIEPE: Um-hum. Thank you very much. [LB708]

JULIE KAMINSKI: Yes. [LB708]

SENATOR CAMPBELL: Any other questions or comments? Thank you, Ms. Kaminski. Our next proponent? [LB708]

MARK INTERMILL: (Exhibit 6) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Mark Intermill, M-a-r-k I-n-t-e-r-m-i-l-l, and I'm here today on behalf of AARP and to express our support for LB708. I think you've heard what LB708 will do. There are two things that I would, I think I would add to the discussion. First of all, from a consumer's perspective, we see value in setting out some standards for a Alzheimer's or dementia care facility so that there is an understanding of a, from a consumer's perspective, about what are...things will be provided as a result of entering a facility that has received this designation. And secondly, to address Senator Riepe's question about cost, which I...it's something that I'm also concerned about. It's been my observation that in long-term care, the way that we control costs, or we provide efficient care and effective care is to make sure that we provide the right care at the right time. And in this circumstance, I think having a set of assisted

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living facilities who can specialize in the care of somebody with dementia will help us to be able to provide the right care to those individuals. Dementia care is different. It, as Julie Kaminski just mentioned, there's a way of communicating with a person with dementia that reduces the behaviors, behavioral problems that occur that make them more, more comfortable, that are...they're able to live a better life. And those types of things help to contain the number of staff that are needed. If we had trained staff who understand how to communicate with somebody with dementia, it makes it easier for those staff. It makes it easier for those residents. So I think that is one of the ways that we, we can help control the costs, by providing that right care. The other thing is that the alternative, if we don't have the dementia-care, assisted living facilities, is a move to a nursing facility, which, almost by definition, is more expensive. We have 24-hour nursing care; and 24-hour nursing care is generally not something that's required of somebody with dementia. [LB708]

SENATOR CRAWFORD: Um-hum. [LB708]

MARK INTERMILL: In fact, having the activity of a nursing facility can exacerbate the, the, the behaviors of the person with dementia might have. So I think that it just provides, a, a better solution or better location for a person to reside, and it makes it easier for that, that individual in terms of living a good life in that facility. Senator Baker, you asked about the coverage for these services. And, excuse me, Medicaid is what we're really looking at here. Medicaid and out-of-pocket are probably the two sources of payment for assisted living, in my experience. Medicaid only can be provided through the Medicaid waiver. Nebraska allows that coverage of assisted living through the Medicaid waiver. In order to qualify for a Medicare...Medicaid waiver, a person needs to require nursing facility level of care and, as Ms. Kaminski said, there's a, a set rate that's provided. If we had the dementia-specific, assisted living facilities, I think we would find that individuals would be able to receive the care in that facility for a longer period of time. And I don't have the...I can't quantify that at this point. But they would be able to receive that care in that setting and perhaps avoid having to move to a, a more intensive level of care in, in, in nursing facilities. So those are the things I wanted to add to the discussion, and I'd be happy to try to answer any questions. [LB708]

SENATOR CAMPBELL: Questions? Senator Kolterman? [LB708]

SENATOR KOLTERMAN: Thank you, Senator Campbell. My question...as you talk about assisted living facilities, do you, do you have a feel for how many assisted living facilities currently accept Medicaid, because a lot of them have gone away from that? [LB708]

MARK INTERMILL: Assisted living...in my statement, I should have done that. I developed the list of how many are Alzheimer's special care unit, how many are Medicaid waiver. What we

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found, in terms of those that are both, I think we found...and I don't think I got that here either, but I can certainly provide that to you. What we're finding, in just looking at the assisted living roster, that rural assisted living facilities tend to accept Medicaid...are more likely to accept Medicaid than urban facilities. Urban facilities are more likely to have an Alzheimer's special-care unit. And the reason...part of the reason for the rural areas participating in Medicaid waiver is, a number of them were nursing facilities that were converted to assisted living facilities several years ago with some funding that the Department of Health and Human Services was able to provide to them. And one of the conditions was that they accept Medicaid. Now, generally, there's a limitation on the number of beds, and so that's what we always encourage people, when they're looking at assisted living, not just to ask if they accept Medicaid, but how many beds are eligible for Medicaid reimbursement. [LB708]

SENATOR KOLTERMAN: And that was the reason for my question. It seems like, in my community, I think we have two assisted living facilities. And both of them have...it's a real strict limitations on how many people they'll take under Medicaid. [LB708]

MARK INTERMILL: And it's your...I...this is generalizing, but I, what I've seen is five beds or so, are what is Medicaid. [LB708]

SENATOR KOLTERMAN: Yeah, okay. Thank you. [LB708]

SENATOR CAMPBELL: Any other questions? Senator Riepe? [LB708]

SENATOR RIEPE: Thank you, Senator Campbell. At some risk, I'm going to go out and open myself up to what I don't know about dementia. It's my understanding, however, though, that dementia is the overall umbrella of it all, and that under that, there are like five or six different kinds of...Alzheimer's is one, and the breakdown of that. On the reimbursement of this, is it, I mean, is the difference between, say if...correct me where I'm wrong here...if there are six different categories of dementia, are they all close enough that the reimbursement should be the same, or is it one should be \$12 and the other one is \$10, or...? [LB708]

MARK INTERMILL: It, I guess, in, in my opinion, they should all be the same. The...a lot...it's that the training requirements of staff, the staffing requirements are similar enough that I, I would say that they, it, there should be a dementia-specific rate. [LB708]

SENATOR RIEPE: Okay. [LB708]

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MARK INTERMILL: And I, again I think that's up to the, the study that the Department will do. I think we would expect that they would take a look at those things. I wouldn't see a need to have more than one, but I would also defer to somebody who is going to look at it in more depth than I have at this point. [LB708]

SENATOR RIEPE: Okay, thank you. [LB708]

SENATOR CAMPBELL: Anything else, Senators? Thank you, Mr. Intermill. [LB708]

MARK INTERMILL: Thank you. [LB708]

SENATOR CAMPBELL: Our next proponent? Anyone else? Okay. Those who wish to oppose the bill? I saw some consternation on the part of Senator Bolz's staff. Are you here as a proponent, sir? [LB708]

CLAYTON FREEMAN: Proponent, yes. [LB708]

SENATOR CRAWFORD: Oh. [LB708]

SENATOR CAMPBELL: Okay. We want to make sure, because I called it, and then I called the opposition, and... [LB708]

CLAYTON FREEMAN: No, no, no, no. [LB708]

SENATOR CAMPBELL: ...Dan got very nervous (laughter). [LB708]

CLAYTON FREEMAN: No, I am definitely a proponent, so...absolutely. [LB708]

SENATOR CAMPBELL: Okay. [LB708]

CLAYTON FREEMAN: (Exhibit 7) Good afternoon, Committee. My name is Clayton Freeman, C-l-a-y-t-o-n F-r-e-e-m-a-n. I am the director of programs and public policy for the Alzheimer's Association. The Alzheimer's Association Nebraska chapter supports the enactment of LB708 to provide for a memory care endorsement under the Healthcare Facility Licensure Act. In assisted livings, people with Alzheimer's and related dementias often have different needs than other residents. For example, environmental factors such as temperature, noise, lighting, facility design can significantly affect the safety, health, and quality of life of residents with dementia. People

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with Alzheimer's disease become increasingly vulnerable and dependent on others for activities of daily living as the disease progresses. Special care units can address these needs uniquely and offer more comfort and security to consumers. Alzheimer's special care units are intended to provide a regimen of tailored interventions and services that reduce functional deficits, environmental stressors, and improve the quality of life for residents. The most common characteristic of these units is a separate, physically locked area to prevent these individuals from wandering. I can tell you, on behalf of the association and our constituents, this level of care would be huge. It would mean so much to them to know that there are facilities that have the trained staff, the quality of care, the important interventions. We've mentioned so many of them: approach methods, communication, behavioral interventions. We know that how much it means to families, to be able to be assured that where they place their loved one is in a facility that is going to provide them with the type of care to give them the kind of cognitive help they need throughout the disease process and to help them have a better quality of life. Senator, you mentioned that there are many more kinds of dementia, and there are. But I agree; I think this would help cover those dementias. I think it's going to be important that these staff members have that kind of training, that specialized training, to do the very best for all those who are afflicted by this disease and other dementias. So I am confident that, for our constituents, having this in place, being able to offer them knowledge that these facilities have this type of care, can provide it, I think, at a rate that they can afford. I agree that the higher nursing care rates are problematic. People want to stay where they're at. The Association is very supportive of this. This will help our constituents a great deal. I often have families come to me and say, they just didn't live up to what they said they were going to do. The care just wasn't what we thought it was going to be. We've come a long, long way in Alzheimer's care in these wonderful assisted living facilities across our state, many, many fine memory-support units. This is just going to give an even higher level of quality. And in a disease that is going to, as the senator mentioned, increase to close to 40,000 in Nebraska alone, with the number of people aging in this state, we're going to be looking at a tsunami. So it's important for us to be ahead of the game, to provide that quality of care, for the 81,000 caregivers in the state of Nebraska who are taking care of a person with dementia today. So the Alzheimer's Association vigorously endorses the passage of LB708. I'll answer any questions. [LB708]

SENATOR CAMPBELL: Thank you, Mr. Freeman. Questions? Anyone? Thank you for your testimony and your many great comments as we went through the process. [LB708]

CLAYTON FREEMAN: Thank you. [LB708]

SENATOR CAMPBELL: Our next proponent? I'll be very articulate this time. [LB708]

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CHRISTOPHER KELLY: Hello, my name is Christopher Kelly, that's K-e-l-l-y, and I'm an associate professor and graduate program chair in the UNO Department of Gerontology. And I'm going to depart from my prepared statement, because so many of the previous speakers have so eloquently stated what much of my comments were to focus on, and to really highlight what I think are the three things that make this bill so important to me. First of all, and Julie Kaminski eloquently stated this, I think that the picture of the resident that is hopefully helped by this bill is that of the resident who is aging in place in our state's assisted living facilities. These are individuals who want to stay in the facility that they've come to call home. And so, in addition to the cost concerns which, I think, are paramount, assisted living is so much more affordable, both for private individuals and for the state, when compared to skilled nursing care. It is that issue of enabling the senior to exercise his or her choice and to stay in the place where they've called home and to avoid transfer trauma, which is a very real phenomenon of residents being moved between facilities, including hospitals. So for the purpose of helping the older assisted living resident, who should be our first and foremost concern, I think this is a good bill. The second issue, and certainly nothing new to anybody in this room, assisted living policy is one that the federal government sublet to the states. We don't have federal guidance on the level of care that's appropriate. And this issue of a resident with Alzheimer's disease becoming more prevalent in our facilities is one that other states are grappling with, as well. And that brings me to my third point, which is that, in the absence of federal guidance on this policy, in my experience in the Aging Task Force and in talking with my colleagues and assisted living research in other states, people look to Nebraska as potentially a national leader in this area, because we are coming together as a state in a collaborative way, the private sector as well as public officials and aging advocacy organizations and thinking, how can we come together in a way that improves the quality of care for our assisted living residents in a way that doesn't mean more regulation and more red tape and more restrictions on providers. The voluntary nature of this bill strikes me as an appropriate way to go. For that assisted living provider who wants to continue to provide the level of care that he or she has always provided, sees her or his facility as a more residential facility and less of a long-term care facility, there's no requirement that they take on additional dementia-specific trainings or services. But for those providers, and to Julie Kaminski's point, many in this room are represented by assisted living facilities that aren't doing this, it is providing not only the recognition but also the compensation that's commensurate to the quality care that our assisted living facilities are providing persons with dementia and related syndromes in this state. It is paying them a reimbursement rate that's fair. And for these reasons, I am honored and happy to lend my support, and that of our program, to LB708. [LB708]

SENATOR CAMPBELL: Thank you, Dr. Kelly. Are there questions from the senators? Senator Riepe? [LB708]

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SENATOR RIEPE: Senator Campbell, thank you. We've heard a lot about this silver tsunami that's coming our direction. I think we all acknowledge that you're in the academic world. What is out there? What hope do we have that we can turn the tide back, if you will? [LB708]

CHRISTOPHER KELLY: Well, I think demographically we are in a good place to be having this discussion in 2015, because the silver tsunami, I think, when it comes to issues like Alzheimer's disease and related dementias, that will become a significant issue by 2030. We have time, if we engage in constructive conversations like the one we are having today, to make preparations for that day, to train our workforce to make our long-term care workforce a flexible one that can meet needs where they are at the present time, whether they are in assisted living facilities or skilled-nursing facilities or in personal home-care services. So I like to tell my students, and I have a couple in this room, unfortunately, that have to hear from me a second time today, this is not a crisis. This is an opportunity, if we choose to embrace it. And again, Nebraska, because of the unique nature of our Legislature, as well as, and again, I think the collaborative nature of this conversation, we're in a good position to be a national leader on this issue. [LB708]

SENATOR RIEPE: I guess I'm looking. Is there more towards...is there something in pharmacology or even...of course, we're dealing with medical marijuana. I mean, is there anything in pharmacology that's going to be able to help us out? I mean, because we're kind of looking now at the present... [LB708]

CHRISTOPHER KELLY: Um-hum. [LB708]

SENATOR RIEPE: ...and a little bit of the past. I'm trying to move out towards the future of what we can do to intervene. [LB708]

CHRISTOPHER KELLY: We are optimistic that, in terms of the many pathways towards Alzheimer's disease, for example, in terms of individuals who have a genetic predisposition, that we might be able to recognize the disease earlier and perhaps slow its progression. What concerns me as a gerontologist, and my background is more public policy than the biomedical side, we do see Alzheimer's disease as the result of spontaneous mutations. We do see it in individuals who have no prior family history of this. It's difficult to predict, you know, with a strong degree of confidence, just how many cases we'll be looking at, even with pharmacological interventions, because the insidious nature of the disease...there are so many different pathways towards Alzheimer's disease. We're not yet at a point where we have an answer for each one of those pathways. I wish I could be more optimistic, but... [LB708]

SENATOR RIEPE: Thank you. [LB708]

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CHRISTOPHER KELLY: ...I think we are doing our job as public servants when we have conversations like this, 15-20 years out from when, really, the demographics are going to be demanding that we take a stand and make a change. [LB708]

SENATOR RIEPE: Okay. Thank you, Chairman. [LB708]

SENATOR CAMPBELL: Senator Kolterman? [LB708]

SENATOR KOLTERMAN: I just have a statement. Thank you for testifying. I'm glad you made it very clear that it's 15-20 years out, because that way Senator Riepe and I will have a place to go (laughter). [LB708]

SENATOR RIEPE: Hopefully not roommates (laughter). [LB708]

SENATOR CAMPBELL: That's a statement for you, I think. [LB708]

CHRISTOPHER KELLY: I think anybody in the room from the long-term care industry, and I worked in long-term care as my first job in aging, can tell you, sometimes in long-term care facilities, roommates are not appropriate for each other, not because of the condition they suffer from. They probably wouldn't have been ideally paired at any stage in life (laughter). I've made the analogy to my students at UNL. This is, you know...not every dorm roommate your freshman year is the person that you should be living with. And I think when anyone shares close quarters with somebody that doesn't agree with them, it can lead to some interesting outcomes. But I digress. [LB708]

SENATOR CAMPBELL: And I think, Dr. Kelly, you might want to close the door on that (laughter), because we know these two gentlemen pretty well. Any other questions? And I want to thank you for your service to the Aging Nebraskans Task Force. It was great having you as part of it, and you were a valuable contributor, as was Jerry Deichert. All of you from UNO have been instrumental in serving the state Planning Committee and the Task Force. So thank you much. [LB708]

CHRISTOPHER KELLY: And thank you. And I appreciate your leadership and friendship very much, as well, Senator Campbell. And I have enjoyed working with you and all the members of the Task Force. [LB708]

SENATOR CAMPBELL: Great, thank you. [LB708]

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CHRISTOPHER KELLY: You're welcome. [LB708]

SENATOR CAMPBELL: Our next proponent? Are we missing anybody? (Inaudible). [LB708]

LOIS JORDAN: Good afternoon. [LB708]

SENATOR CAMPBELL: Good afternoon. [LB708]

LOIS JORDAN: Thank you, Senator Campbell. My name is Lois Jordan, and I serve as the president and CEO, as well as a registered nurse, for Midwest Geriatrics. I'm a provider of Alzheimer's assisted living care. Midwest Geriatrics is the management company for House of Hope. [LB708]

SENATOR CAMPBELL: Did you spell your name for the record? [LB708]

LOIS JORDAN: Oh. Jordan, J-o-r-d-a-n. [LB708]

SENATOR CAMPBELL: Great. Thank you. [LB708]

LOIS JORDAN: First name, Lois, L-o-i-s. I'm sorry. [LB708]

SENATOR CAMPBELL: Go right ahead. [LB708]

LOIS JORDAN: All right. I wanted to just, first of all, thank the individuals that presented before me. And the questions that you raised are very important and good questions. And I wanted to give you a little bit of an idea, from a provider's perspective, what it's like to serve a population that I love dearly. And I've been doing this for 20 years with this organization. In particular, we built House of Hope in 2003, after five years of research, because of the dramatic need for memory care in assisted living and because of the calls we were getting where individuals weren't able to find an appropriate level of care, such as assisted living. And so we opened House of Hope in 2003, with 64 apartments. We are a mission-driven, nonprofit organization, and we serve anywhere between 80 and 85 percent of individuals that are on Medicaid. And that's been our mission for 106 years; we've been in business since 1906. And we believe it is our calling and our purpose to serve a population that so few want to or are able to. When we opened House of Hope with 64 apartments, they were all dedicated to memory care assisted living. And 70-80 percent were individuals that were on Medicaid. The financials...I am not a financial person at all; I am a nurse. And when we were looking at the end of the year,

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every year for 10 years, it was continually losing money. House of Hope could not stay viable at 64 apartments with the makeup that we were having with individuals that were on Medicaid to the degree that they were. So we made a choice roughly three to four years ago to reduce that number of Alzheimer's beds in assisted living to 42. Because that model switched the makeup that we had for our staffing, we were able to budget differently, and it was projected to have a positive bottom line. And granted, a positive bottom line we're thrilled about is anything near \$100 to \$1,000. We're not...again, we are a nonprofit; we aren't looking for a tremendous bottom line. But we do need to stay viable, and so that switch helped. But unfortunately, it resulted in reducing the number of beds available for individuals with Alzheimer's. Our cost of care is around \$4,200 a month. As Julie indicated, our Medicaid reimbursement is \$2,500, less than half. And so each individual we serve on Medicaid, we lose roughly \$2,500 on each person each month. Because we're mission-driven, we will continue to do this, and we will make it happen. But it may result in us having to reduce the number again, because we have to stay viable. We have to stay available for those individuals. You had asked a question about the number of licensed-care communities and how many take Medicaid. There are 62 that are special-care, and 32 of them will take Medicaid. The problem becomes, how many Medicaid will they take? We are the community that gets the call when an individual has been with another assisted living for a number of years and has to now apply for Medicaid. They didn't have the resources to last maybe three years, a year. Once they had to apply for Medicaid, that community will ask them to leave, because they don't accept Medicaid. Or the one bed that they had available is always full, or the two or the ten beds...they're always full. So as a provider or as a caregiver, if I'm looking for a place for my mother, and I go, and they say yes, I take Medicaid, I think, wow, that's great. I'm relieved; they're going to take Medicaid, so when Mom needs it, she doesn't have to leave. But I forget to ask the question, How many beds do you have that are Medicaid? So those individuals are very limited, and their choices are limited. And the cost of care is not to make us more profitable; the cost of care is bare bones. This is what we need to do to provide the safe setting. They need us, as caregivers, to anticipate every single move that they're going to make. If you had an individual with Alzheimer's and an individual at the same age at this table with me, the individual without Alzheimer's could tell you what they need, could tell you they're in pain, could tell you what services and help they need. The individual with Alzheimer's is not able to do that. Their ability to sense what is safe and what isn't, isn't there. And so we have to anticipate that. So you can't staff these two the same. They have to be staffed much differently, so that you can anticipate every one of their needs. Our youngest individual that we took care of was 34 years old and, obviously, could not have possibly saved enough resources to pay privately for her care, and needed Medicaid. I want to be able to continue to provide the care for that population because they deserve it. They had no idea the cost of care was going to be what it is. And so I want to be able to stay viable to serve that population. I want to thank Senator Bolz for introducing this, because as a provider of care and as a family member dealing with family members with Alzheimer's, this is something we need to do. And we need to be their voice and

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Speak up for them. So thank you for your time. And I will answer any questions I might be able to answer. [LB708]

SENATOR CAMPBELL: Thank you, Ms. Jordan. Any questions from the senators? Senator Riepe? [LB708]

SENATOR RIEPE: Senator Campbell, thank you. Thank you for being here. If we, and the we here is state Medicaid, provide more incentive for a diagnosis or a designation as dementia, how do we manage the probability we will get more of these diagnoses for providing incentive for that diagnosis? How do we manage that? [LB708]

LOIS JORDAN: I don't think we'll have to go out and seek this diagnosis. This diagnosis finds us, and the numbers are enormous. The thing that we have to do is reduce the stigma associated with asking for help and needing care. And so the individuals who are struggling at home, the tragedies that you hear about when somebody goes outside and freezes to death because they weren't able to find their home, find their door to get back in, we're in place as assisted living providers to provide a safety net for them, to provide that care for them. We're doing it already. We're struggling to make it happen, but we're doing it already. And we're turning people away, because we can't take every person in that building on Medicaid. We can't stay viable that way. So I don't believe this is going to create a reimbursement such that it will make anybody excessively profitable. If it could just help us break even, that's what we're hoping for, because it's not right now. [LB708]

SENATOR RIEPE: I think some of it is the economic principle, if you want more of it, you put more money there. If you want less of it, you put less money. So if you put more money there, you're going to get more people that will be designated, then, as dementia. [LB708]

LOIS JORDAN: I think Senator Bolz has clearly outlined the specific criteria for a community to designate themselves as memory care. It is not something that you can do easily, nor should you, if you want to do it right. So you will have to have certain criteria in place to do this properly. And to meet that criteria, there's an expense that goes with it, and there's a commitment that goes with it. And I think you want to make sure you're doing that wisely. [LB708]

SENATOR RIEPE: Thank you very much. [LB708]

SENATOR CAMPBELL: Senator Kolterman? [LB708]

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SENATOR KOLTERMAN: Yeah. Thank you, Senator Campbell. Early in your testimony, you talked about House of Hope and how much it costs you. I think you said \$4,200 a month. [LB708]

LOIS JORDAN: Correct. [LB708]

SENATOR KOLTERMAN: Is that accurate? And of that, your reimbursement rate is \$2,500. [LB708]

LOIS JORDAN: Roughly, um-hum. [LB708]

SENATOR KOLTERMAN: Can you tell me, and I think I know the answer, but I'm not positive. That \$2,500 that you're getting from Medicaid. [LB708]

LOIS JORDAN: Medicaid waiver, um-hum. [LB708]

SENATOR KOLTERMAN: Is that...as I understand it, if you start collecting Medicaid, they'll accept an assignment of your Social Security. [LB708]

LOIS JORDAN: Correct. [LB708]

SENATOR KOLTERMAN: And so, is that included in that \$2,500? [LB708]

LOIS JORDAN: No. The individual that's on Medicaid will pay their room and board. The \$2,500 is above that amount. [LB708]

SENATOR KOLTERMAN: Okay. [LB708]

LOIS JORDAN: So that the rate that Medicaid waiver sets is what they're going to pay above the room and board. I hope I'm stating this correctly, because I'm nervous, and I don't want to misstate it. [LB708]

SENATOR KOLTERMAN: Right. [LB708]

LOIS JORDAN: And I'm not the financial person. But I believe that's correct. [LB708]

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SENATOR KOLTERMAN: Okay. Thank you. [LB708]

LOIS JORDAN: Um-hum. [LB708]

SENATOR CAMPBELL: Okay. Any other questions? Thank you very much for your testimony. [LB708]

LOIS JORDAN: Thank you. [LB708]

SENATOR CAMPBELL: Other proponents? Anyone who is opposed to LB708? Anyone in a neutral position? As Senator Bolz is coming forward, items for the record, Elice? [LB708]

ELICE HUBBERT: (Exhibit 8) Nothing for the record. [LB708]

SENATOR CAMPBELL: Okay. Senator Bolz, we're back to you. [LB708]

SENATOR BOLZ: Just one brief comment in relation to your question, Senator Fox. One of the reasons that...and this an oversimplified, nonmedical response to your question. But one of the reasons that this is such an expensive disease is because your cognitive and behavioral changes...and changes dramatically, while your physical self can still be very healthy, which is why there's a longevity with this disease, which is why it's so costly, which is why keeping folks in a lower level of care, as appropriate, could create such cost savings. That's all I wanted to add, and I'm happy to answer any last questions. [LB708]

SENATOR CAMPBELL: Any questions, Senators, that you have for Senator Bolz? Thank you, Senator Bolz. [LB708]

SENATOR BOLZ: Thank you. [LB708]

SENATOR CAMPBELL: That completes our hearing on that bill. We will proceed to our next hearing on LB701, which is Senator Mello's bill. And Senator Mello's bill would eliminate a termination date relating to a self-sufficiency contract. Sounds simple. [LB708]

SENATOR MELLO: (Exhibit 1) Good afternoon, Chairwoman Campbell and members of the Health and Human Services Committee. My name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I represent the 5th Legislative District in south Omaha. LB701 seeks to remove a sunset provision found in Chapter 68, Section 1721, relating to public assistance. Nebraska law currently allows

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certain educational opportunities to count towards core work requirements for the purposes of the self-sufficiency contract under the Aid to Dependent Children program, better known as ADC. Educational opportunities like vocational training, associate's and bachelor's degree work, GED certification, and adult basic education are key for families working to move themselves out of poverty and ultimately transition off public benefits. With the passage of LB842, introduced by my good friend, former Senator John Harms, in 2012, the original September 30, 2012, sunset was extended through December 31, 2016. Rather than come before you today and propose that we push the sunset date further, I am simply suggesting that the sunset be removed altogether. LB701 does not call for a significant shift in state policy. It would, however, solidify welfare reform supported by previous Legislatures and a previous Governor have approved, which many Nebraska families have benefited from. I am also bringing today AM1923 as an amendment for your consideration, which would remove the sunset provision for adult basic education activities in addition to the vocational training and degree work. It's important that both sunset provisions be addressed for the consistent public policy moving forward. Making the changes contained in LB701 and the accompanying amendment, AM1923, would allow families eligible for Nebraska's Aid to Dependent Children program to continue their education and training as they work to move out of poverty and towards self-sufficiency. Testifiers following me will speak to the results Nebraska has seen regarding families choosing and completing education and training and moving off the ADC program and the positive outcomes this policy has been creating for Nebraska's children and families. With that, Ms. Chairman, I'll answer any questions you may have. [LB701]

SENATOR CAMPBELL: Any questions for Senator Mello? Will you be staying to close, Senator? [LB701]

SENATOR MELLO: I will. [LB701]

SENATOR CAMPBELL: Okay. All right. Our first proponent today for LB701. Good afternoon. [LB701]

MOLLY McCLEERY: (Exhibit 2) Good afternoon. Senator Campbell and members of the committee, my name is Molly McCleery, M-o-l-l-y M-c-C-l-e-e-r-y, and I am a staff attorney at Nebraska Appleseed. As you can see in my written testimony, I am here in place of our executive director, Becky Gould, who is feeling ill today. So you get me instead. Nebraska Appleseed is a nonprofit legal advocacy organization that fights for justice and opportunity for all Nebraskans. And we are strongly in support of LB701. As Senator Mello mentioned, the strongest path to economic independence is through education. And folks that participate in our Aid to Dependent Children, our ADC program, have the opportunity to engage in educational programs designed to help them find work and to become independent. True economic independence, as the

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committee knows, is hard to come by if you lack that education and skills training to get a good job that can support yourself and your family. Nebraska is a leader in the nation, in allowing ADC recipients to access and engage in education programming through those past pieces of legislation that the senator mentioned in the opening. Through the past legislative enactments over the last several years, we, as a state, provide education in a manner that's more available than any other state. So we truly are the leader on this. And we can see from both the certificates and diplomas that enrollees are gaining through this program, as well as the wages that they are receiving, that people are taking advantage of this opportunity to engage in education and moving off of the program. On the back side of the written testimony, there is the most recent report that details diplomas or certificates received and then, also, wages. And, as you can see, the wages that are earned would result in someone moving off of the program. Also, it's just a couple statistics for the committee. In the most recent year that this data was available, 119 individuals received a certificate or a diploma, 115 received an associate's degree, and 35 received a bachelor's degree. Those are really great numbers. And \$9.60 was the average wage. And then, that is also a pretty good wage for someone to transition off of the program. Nebraska continues to have significant flexibility under our TANF program and under that block grant structure to allow this expansive use of education in our ADC program. We have a strong work participation rate and strong numbers in terms of reduction in our ADC caseload. I provided the committee with a couple copies of reports that note the reduction in caseload numbers, as well as the work participation rate. These factors allow Nebraska to continue to allow these education activities while maintaining the federal dollars and not spending additional state dollars. So with that, I would respectfully urge the committee to support the advancement of LB701. And I'd be happy to take any questions at this time. [LB701]

SENATOR CAMPBELL: Any questions, Senators? Ms. McCleery, to your point, in the Intergenerational Poverty Task Force, we learned the statistic that for those people living under 200 percent of the federal poverty level, if they did not have a high school diploma, 56 percent would be living under the poverty level. If they get a diploma, a high school or GED, that drops to 31 percent of the population. And if they get a college diploma, it's 12 percent. And I think the committee was just really struck how important education is. It just underscores the need for our whole effort in that area. [LB701]

MOLLY McCLEERY: Yes, those are striking numbers, and I think that this bill definitely fits in with the work of the Intergenerational Poverty Task Force and then, other pieces of legislation or policies that we're working on, in terms of workforce development and addressing that skills gap that we continually talk about in various committees. So... [LB701]

SENATOR CAMPBELL: Exactly. Thank you very much for your testimony. [LB701]

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MOLLY McCLEERY: Thank you. [LB701]

SENATOR CAMPBELL: Our next proponent? Anyone else who wishes to testify. Ah, two at once. [LB701]

JULIA TSE: Good afternoon. [LB701]

SENATOR CAMPBELL: Good afternoon. [LB701]

JULIA TSE: (Exhibit 3) My name is Julia Tse, J-u-l-i-a T-s-e, and I am here on behalf of Voices for Children in Nebraska today, representing our organization's strong support for LB701. I think we've already talked a little bit about this, but I want to reiterate some statistics about just how important education is for family stability and for future success for children in those families. The most-recent census data show that mean income for those with some college or associate's degree was about \$3,700 higher than that of high school graduates. And so for those who are pursuing vocational training and ADC payments can make all the difference in stretching the family budget just a little further until degree completion. Additionally, ADC is intended to support only very low income families with children. And historically in Nebraska, payments are often the only source of income for that family. Researchers also estimate that 61 percent of Nebraska's children, which is roughly 38,726 children, whose parents have a high school degree, lived in low-income families, which was about \$47,000 for a family of four. And I think almost anywhere in our state, that would be really difficult to support a family of four. So, in short, we believe that LB701 is good policy, because it supports opportunities for families to find stability and success for their children, removing barriers of self-sufficiency in our public programs. It's good for families, and it's good for our state budget in the long term. We want to thank Senator Mello for bringing this issue forward and respectfully urge the committee to advance this bill. Thank you. [LB701]

SENATOR CAMPBELL: Questions, Senators? It seems it's abundantly clear from your testimony. Thank you. [LB701]

JULIA TSE: Thanks. [LB701]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB701]

GREG SCHLEPPENBACH: Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Greg Schleppenbach, S-c-h-l-e-p-p-e-n-b-a-c-h, and I'm testifying in my capacity as executive director of the Nebraska Catholic Conference, which

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represents the collective interests and concerns of the three Catholic bishops in Nebraska. The Conference has a long history of supporting meaningful, efficient, and effective ADC policies as part of our advocacy on behalf of those in poverty. The ability of ADC recipients to pursue post-secondary vocational training opportunities as a core work activity is a good example of such meaningful policies. Associate degree programs and other vocational training can be, for many recipients, a more realistic avenue to self-sufficiency than a bachelor's degree. Moreover, it is consistent and supportive public policy to enable ADC recipients to complete the required number of hours in an associate degree program. Self-sufficiency, which is the ultimate goal of ADC assistance, is a realistic goal only if work activity policies are meaningful and supportive. Eliminating the sunset clause and continuing the provision in Section (sic: subsection) (7) of 68-1721 fits this standard and should be supported. And the Conference urges you to advance LB701 to General File. Thank you. [LB701]

SENATOR CAMPBELL: Thank you for your testimony. Any questions? Thank you again. [LB701]

GREG SCHLEPPENBACH: You're welcome. [LB701]

SENATOR CAMPBELL: Other proponents? Good afternoon. [LB701]

BEATTY BRASCH: (Exhibit 4) Good afternoon. My name is Beatty Brasch. I'm director, cofounder of the Center for People in Need. [LB701]

SENATOR CAMPBELL: Go right ahead. [LB701]

BEATTY BRASCH: Okay. The Center is a nonprofit, human-service agency focused on enhancing opportunities for families and youth as they address socioeconomic barriers limiting their path to success. In short, we provide wrap-around services for those in need, including focusing on food, clothing, immigration services, English as a second language, adult education, computer training, job skills training, inmate reentry services that is generally funded by state grant dollars. We also do case management and even distribute toys for kids at Christmas. I'm here today to testify to the impact that the ADC program has had on our clients and to ask for your support extending this program, moving forward. We have seen firsthand, through direct intervention with this very population we serve the positive outcomes that it can, and consistently does, produce. Success stories are the norm, not the exception. As an example, two of our adult education program participants, Clay and Liz, husband and wife, were using almost every service imaginable...housing, ADC, food stamps, Medicaid, and on down the list. But because ADC benefits allow them to further their education, both have now graduated and are fully, gainfully employed. Clay works as a programmer at Fiserv, and Liz is a respiratory

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therapist at Madonna. They are both now completely independent and off of assistance programs. This is exactly the type of transition out of poverty that, law after law, program after program, has tried to foster. And I see no reason to allow a model program such as this to expire. As another example, Melissa, mother of four, was accessing almost every service that the state has to offer. When she first came to us, she had been trying to complete her degree for the past six years. Once she entered our program and also began utilizing the resources provided by the ADC benefit program, she had with one year completed her degree. She is now working full time, and they can provide for her family without assistance. Again, these are exactly the outcomes that we all desire for those who are struggling. And their successes become ours as they rise from poverty to self-sufficiency. We didn't have to hunt to find these stories; they are abundant. But often, the biggest hurdle and programs such as this face are misconceptions about those who receive services and why and their ability to transition from assistance. To help dispel these misconceptions, I have included with this testimony a subset of data gathered by survey during our giving Thanksgiving event, that illustrates the variety of demographic and socioeconomic backgrounds those receiving ADC assistance receive. On a particular note, on page 4 of this report is a data that shows a market link between less-educated parents and the resulting elevated risk their children face of falling into poverty. If we are to end this cycle of poverty, it is crucial that we make education for both parents and children a priority. Again, I respectfully ask that the committee vote to extend the life of this crucial program...and be more than willing to answer any questions. [LB701]

SENATOR CAMPBELL: Any questions? I have known Beatty for a very long time. And I do want you to, hopefully, spend some time with the questions that she posed to the people and their response. She does a survey every year, and local policy makers pay very close attention. And Beatty is now gathering a following on the state level, because the questionnaire is very significant to the issues we look at. So, great job. [LB701]

BEATTY BRASCH: If the committee...oh, excuse me. [LB701]

SENATOR CAMPBELL: I'm sorry. [LB701]

BEATTY BRASCH: If the committee has any questions they would like to know, we can certainly survey ADC clients. We see a large number of them, and we'd be glad to ask them whatever you want to know. [LB701]

SENATOR CAMPBELL: Senator Baker, did you have a question? [LB701]

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SENATOR BAKER: Yeah. Thank you. Ms. Brasch, I have sort of a tangential question. In your data of ADC beneficiaries, you show that 81 percent is female, 19 percent male. Is that trending one way or the other over time? [LB701]

BEATTY BRASCH: I don't believe it's changed. I could check back in past surveys, but I don't know. [LB701]

SENATOR BAKER: Okay, thank you. [LB701]

SENATOR CAMPBELL: Any other questions? Thank you for your testimony and bringing us the data. [LB701]

BEATTY BRASCH: Yeah, thank you. [LB701]

SENATOR CAMPBELL: Our next proponent? Good afternoon. [LB701]

KATRINA THOMAS: Hello. Good afternoon. Oh, yes, you want this. Thank you. I'm Katrina Thomas, and I was here to visit you last week. K-a-t-r-i-n-a T-h-o-m-a-s, and I am supporting LB701. Thank you, Senator Mello, very much for bringing this forward. I had mentioned to you all, whoever was here...I think most of you were last week...on the SNAP program for those that have felony convictions. Well, and I had mentioned, also, that I work for ResCare, too. I was an ADC participant that went through the education program. So I have to be a little careful of how I speak about things, because I'm not speaking on behalf of ResCare, the people that were contracted through HHS that give ADC recipients...we do their case management. So I am speaking on behalf of Appleseed, and the Nebraska Association of Social Workers. So to start with, I just want to be anecdotal here rather than just read you a bunch of stats and everything. It was after I got out of prison, which I had mentioned. That was in 2006. Well, I was able to, when I was getting my associate's degree through SCC...I went to Human Services through there. I was able to do AmeriCorps, so I got a life stipend, and I took out a lot of student loans, like I mentioned, to be able to get through that. Well, realizing after I got my associate's degree and being a single parent, that I would still not be able to make enough money for me to get, for us to get off public assistance, I decided to go to Wesleyan. Now also, mind you, for the past decade, I have taken the bus system. I haven't had a vehicle. Living in poverty, I can't afford a vehicle. So the bus transfers, there's...it can take two hours to get anywhere. So I wasn't able to still work while I went to school. And so I received ADC. And so I even brought service contracts. Believe me, from even 2010, I still have my service contracts through Employment First. And how it works, because a lot of people think it's so easy to get public assistance...it's so difficult. And so I got hours to go to school, but then, also, I was a WEP, a work experience person. So ResCare let me do my work experience there. And so I would have to go to school so many hours, and then I

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would...this was when ResCare was downtown, so my bus transfer would go downtown, so it was so much easier than now...it's way north. So you can't even imagine how difficult this is every day. But so I did my extra hours there, because I had to be doing 30 hours a week of things. So the great thing, though, with that was, I mean, look at me now. I'm not on any assistance. You know, I got my degrees; I went through this program. And where I did my work experience, that hired me on. So I mean it's just one of those things that you need to hear where if I wouldn't have had this opportunity, I would still be on public assistance, you know. So it's just one of those personal stories that...and I have more and more. I can talk and talk. But I just wanted you to know a little bit of a personal story. And I have plenty of other things. If you have any questions about how it works, like, you know, work experience and employment. It's...so me working with ResCare, I cannot imagine if our participants would not be able to do education, it would throw us completely off of...you know, we already have a difficult time helping people job search, but you want them to get further. And if they can't get those hours to educate themselves, there's no way I could have been doing 20 hours of education plus job searching on top plus, you know, all those things. So realistically, what we have in place right now is the best that we can do right now, unless we look at making other changes. But this is good. So... [LB701]

SENATOR CAMPBELL: Thank you, Ms. Thomas. And we're glad to see you back again to testify. [LB701]

KATRINA THOMAS: Oh, thank you. [LB701]

SENATOR CAMPBELL: Any questions from the senators? Thank you so much. [LB701]

KATRINA THOMAS: You're welcome. Thank you very much. [LB701]

SENATOR CAMPBELL: Our next proponent? Anyone who wishes to oppose LB701? Anyone in a neutral position? Senator Mello, we're...Senator Mello is waiving. Smart man. [LB701]

SENATOR KOLTERMAN: He wants to go home. [LB701]

SENATOR CAMPBELL: Elice, any items for the record? [LB701]

ELICE HUBBERT: We have a letter from the Department of Health and Human Services. [LB701]

SENATOR CAMPBELL: Oh. Have we all seen that letter? [LB701]

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SENATOR HOWARD: (Inaudible). [LB701]

SENATOR CAMPBELL: I don't know that we have that letter. [LB701]

SENATOR HOWARD: I don't find that (inaudible). [LB701]

SENATOR KOLTERMAN: A letter of support? [LB701]

ELICE HUBBERT: I don't have it in there. [LB701]

SENATOR CAMPBELL: I don't have it in the file either. Is it...it was on... [LB701]

JOSELYN LUEDTKE: It's for LB708, the last one. [LB701]

SENATOR CAMPBELL: Oh, LB708. [LB701]

JOSELYN LUEDTKE: It was for the last one. [LB701]

SENATOR CAMPBELL: Oh, it was for the last bill. [LB701]

ELICE HUBBERT: Oh, I'm sorry. [LB701]

SENATOR CAMPBELL: That's okay. Rachel got all nervous about this (laughter). Oh, my gosh. Okay. There are no items for the record on LB701. The item was for LB708. And we will clarify that. We are finished today, and we'd ask that you leave quietly. Senators, let's take a five-minute break before we go into Executive Session. [LB701]