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Health and Human Services Committee
February 21, 2018

[LB1093 LB1127 LR281CA CONFIRMATION]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, February 21, 2018, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB1127, LB1093, LR281CA, and gubernatorial appointments. Senators present: Merv Riepe, Chairperson; Steve Erdman, Vice Chairperson; Sue Crawford; Sara Howard; Mark Kolterman; Lou Ann Linehan; and Matt Williams. Senators absent: None.

TYLER MAHOOD: (Phone ringing) Becky? [CONFIRMATION]

BECKY RIEKEN: Yes. [CONFIRMATION]

TYLER MAHOOD: Okay. [CONFIRMATION]

SENATOR ERDMAN: Ms. Rieken? [CONFIRMATION]

BECKY RIEKEN: Yes. [CONFIRMATION]

SENATOR ERDMAN: This is Steve Erdman. I'm Senator Steve Erdman. I'm in charge of the committee today. [CONFIRMATION]

BECKY RIEKEN: Hi there. [CONFIRMATION]

SENATOR ERDMAN: Senator Riepe is at another hearing at the moment. Thank you for calling in. We have... [CONFIRMATION]

BECKY RIEKEN: Uh-huh. [CONFIRMATION]

SENATOR ERDMAN: ...five senators here, so... [CONFIRMATION]

BECKY RIEKEN: Okay. [CONFIRMATION]

SENATOR ERDMAN: ...we're here to make a...is this a reappointment position?
[CONFIRMATION]

BECKY RIEKEN: Yes, it is. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR ERDMAN: Okay. Could you please share with us your background? Please state and spell your name and then share a little background of what you've experienced serving on the committee. [CONFIRMATION]

BECKY RIEKEN: (Exhibit 1) Okay. My name is Becky Rieken, B-e-c-k-y, Rieken, R-i-e-k-e-n. Well, I am a--start off--I'm a teacher for the visually impaired and I also have a daughter who is visually impaired. And I guess by being on the committee, it has allowed me to offer resources that, being just a parent or being just a teacher, I don't always know about. And so it's just wonderful to be able to share with my students and then also to turn that around and even share with the commission and fellow members. So I just, I don't know, it's just been a really, really nice combination, I guess you could say. [CONFIRMATION]

SENATOR ERDMAN: Okay. And have you served one term before? [CONFIRMATION]

BECKY RIEKEN: I've served, yes, one term. [CONFIRMATION]

SENATOR ERDMAN: Okay. And so this is a reappointment. We appreciate that. I'll ask the committee members if they have any questions. I don't see...excuse me. Senator Williams has a question. [CONFIRMATION]

BECKY RIEKEN: Uh-huh. [CONFIRMATION]

SENATOR WILLIAMS: Thank you, Senator Erdman. And thank you for being here and your willingness to continue participating. In your term on the commission, what kind of activities most interested you? [CONFIRMATION]

BECKY RIEKEN: Well, I guess I just love getting together with the community of the blind and to share what's been going on in the school system. I also love being able to be included in some of the summer camps that the commission offers and to be a participant in that and to just work with blind students that will become blind employed employees. So that's...I just really appreciate being able to be a part of that. [CONFIRMATION]

SENATOR WILLIAMS: Thank you. [CONFIRMATION]

BECKY RIEKEN: Uh-huh. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR ERDMAN: Any other questions? You know, we really appreciate you and your service that you do,... [CONFIRMATION]

BECKY RIEKEN: Uh-huh. [CONFIRMATION]

SENATOR ERDMAN: ...and thank you for those people you reach out to and help, and that's a great service to us. [CONFIRMATION]

BECKY RIEKEN: Good. [CONFIRMATION]

SENATOR ERDMAN: And with no further questions, unless you have a question for us. [CONFIRMATION]

BECKY RIEKEN: Nope, I think we're good. [CONFIRMATION]

SENATOR ERDMAN: Okay. I believe we're good here too, so I think you're safe. [CONFIRMATION]

BECKY RIEKEN: All right. Well, thank you very much. Have a great day. [CONFIRMATION]

SENATOR ERDMAN: Thank you for calling. [CONFIRMATION]

BECKY RIEKEN: Okay. Bye-bye. [CONFIRMATION]

SENATOR ERDMAN: Bye. Okay. Next appointment, Diane Schutt, please join us if you would. [CONFIRMATION]

DIANE SCHUTT: It's Shoot (phonetically). [CONFIRMATION]

SENATOR ERDMAN: Shoot (phonetically). I'm sorry. You can clarify that for us on the record. Go ahead when you're ready. [CONFIRMATION]

DIANE SCHUTT: (Exhibits 1 and 2) My name for the record, okay, Diane Schutt, D-i-a-n-e S-c-h-u-t-t. [CONFIRMATION]

SENATOR ERDMAN: Go ahead. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

DIANE SCHUTT: Okay. Basic background for me, I am a Kansas girl, born in Manhattan, moved to Fremont, Nebraska, at 10. Went from Fremont High School to Kearney State College. Got a teaching degree in journalism education with some English. Got a master's degree in journalism at the University of Nebraska. Interviewed for a teaching job in Fairbury, Nebraska, and stayed there for 35 years, and retired in 2014. Spent 35 years teaching journalism and English to the high school kids there, and since then I've been employed at Lambert Vet Supply in Fairbury writing copy for them. So for the first time in my life I got paid to write for a living, basically. I do a lot of volunteer work, Relay for Life. We just reopened the Bonham Theater in Fairbury, Nebraska, and I was the person that kind of called the meeting to get that organized, and it took us five years but it's been a great thing for the community. I've been involved with the cat rescue recently in the last year or so. I served on the Nebraska High School Press Board for over 25 years when I was teaching, so doing things and being involved is nothing new for me. My hearing loss, as my audiologist and my ear doctor say, I'm rather an unusual and rare case because it started about the second year I was teaching and I noticed I wasn't hearing things the way I used to be able to hear things. And so friends told me it was because I was working with teenagers, of course, (laughter) but we did some testing and know there was definitely a hearing loss. So I went to Boys Town. We had all sorts of tests done and nothing showed up. There's some rare diseases that...blood diseases and things that will cause a hearing loss, but that wasn't the problem. So I think they've decided that probably it was a genetic thing, and why it triggered in my 20s they don't know. But, you know, it's like...I'm classified as severe to profound, but I evidently taught myself how to read lips, which was a good thing teaching to be able to do, and I do very well as long as I can see things. I've been involved with the hearing commission for one meeting. [CONFIRMATION]

SENATOR ERDMAN: Okay. [CONFIRMATION]

DIANE SCHUTT: I filled a slot for somebody who I've been told who it is but I can't remember the name. Okay. And so I'm learning. I'm learning a wide range of things that I had no idea about. John Wyvill has been excellent in, you know, trying to take me through the process. So I'm excited to keep going forward because I know my frustration with a hearing loss and I function pretty well. So I know that it's difficult for people and it's kind of a hidden disability in many respects, unless they see hearing aids or something. So that's where I am. I was very pleasantly surprised when I got the e-mail from John. At first I thought it was like Publishers Clearing House or something, but he confirmed that it was really real. And so I think it's a good thing and I'm anxious to see where...what I can do. [CONFIRMATION]

SENATOR ERDMAN: Very good. Very nice story. I appreciate that. Any questions? I appreciate your willingness to serve. And with your background, it looks like you'll be a good fit for the committee. Thank you very much. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

DIANE SCHUTT: Okay. [CONFIRMATION]

SENATOR ERDMAN: Thank you. Okay, moving on, Jeremy Fitzpatrick. Thank you.
[CONFIRMATION]

JEREMY FITZPATRICK: (Exhibit 1) Thank you. It's Jeremy, J-e-r-e-m-y, Fitzpatrick, F-i-t-z-p-a-t-r-i-c-k, and this would be a reappointment for me to the commission. [CONFIRMATION]

SENATOR ERDMAN: Thank you. [CONFIRMATION]

JEREMY FITZPATRICK: Just a little bit of background: I'm a lawyer from Omaha but my experience is probably relevant to...of being on the commission comes from my son Quinn (phonetic), who is five, soon to be six, has hearing loss, wears hearing aids in both ears. And my exposure to the deaf community and the commission really comes through that experience. And I might say also, and I said the last time I was here, that Quinn's (phonetic) life was massively benefited in a good way by action this body took when it mandated that hearing screening be done for infants in the hospital, because his hearing loss is such that we probably wouldn't have known for years that he had hearing loss. And we knew the day that he was born that he had a hearing loss, so he was able to get early intervention. He's very much a success story, both in that sense and in the support he's gotten from the state of Nebraska toward moving him on the way. So it's an opportunity to make sure we're not leaving anyone behind and the talents that they have. And so that's been my experience. I'm very proud to have worked with the commission. You have a group of people there who work extremely hard. I think they make great use of the resources that the state provides them and they're making a big difference in people's lives, and I'd like to continue to work with them on that. [CONFIRMATION]

SENATOR ERDMAN: Very good. Are there any questions? Any comments? I appreciate the fact that you know it firsthand by seeing it through your son. That's amazing. So you're able to see how the commission works and what is accomplished by it, and I appreciate that. Appreciate your testimony. Thank you. [CONFIRMATION]

JEREMY FITZPATRICK: Thank you very much. [CONFIRMATION]

SENATOR ERDMAN: Okay, that ends our appointments part of the...oh, do you have something to say? Okay. All right, so we'll start the hearing now. Let me read a few things here. As I said earlier, I'm Steve Erdman. I'll be in charge of the committee today. Senator Riepe is testifying and introducing a bill in another committee. The committee today will take up the order of the bills in which they are posted outside the door. This hearing today is your part of the public...part

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

of the public's opportunity to speak to your Legislature. And so today we will have those three bills heard. The committee members will come and go, and don't be concerned that they're not interested in the bills that you are here to testify on. We have other things that we have to do, other committees we have to speak in. It's just part of the process. To better facilitate the proceedings today, if you're going to testify, if you would kind of try to make your way to the front. I would ask that you turn off or silence your cell phones. And then once you have come to the front, turn in your pink sheet--or salmon colored, whatever you want to call it--to Taylor and then--Tyler--and then move up to the front. And when you sit down to testify, please introduce yourself and spell your name for the record. We will do introducer testimony, proponent testimony, opponent testimony, neutral, and then closing by the introducer. So please do that. And be concise if you can. We will limit the testimony today to five minutes. So you will get four minutes with the green light, one minute with the amber or yellow light and then, when the red light comes on, please try to wrap up your comments if you can. Okay. So when you sit down there to testify today, the microphone in front of you is not an amplification item. It's for the recording of your comments. And so try to speak into the microphone when you come there. If you have come today and you don't want to testify in person but you have information that we should know about, there are sign-in sheets at the side, the white ones there. Please fill those out and turn those in and your testimony will become part of the record. If you do have information that needs to be passed out, you will need to have ten copies. And if you don't have ten copies, our page is very capable of lickety-split getting you copies. Okay? So with that said, we will have self-introduction. I'll start with my senator to my right.

SENATOR KOLTERMAN: Senator Mark Kolterman, District 24, Seward, York, and Polk Counties.

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

KRISTEN STIFFLER: Kristen Stiffler, legal counsel.

SENATOR WILLIAMS: Matt Williams, Legislative District 36: Dawson, Custer, and the north portion of Buffalo Counties.

SENATOR LINEHAN: Lou Ann Linehan, District 39: the west, everything west of 180th Street in Douglas County.

TYLER MAHOOD: Tyler Mahood, committee clerk.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR ERDMAN: And we have one page today and she is so efficient we only have to have one. Normally, we have two, but she can do the job. So thank you for that. So we will begin with Senator Kolterman's LB1127. The floor is yours, Sir. [LB1127]

SENATOR KOLTERMAN: Good afternoon, Vice Chairman and members of Health and Human Services Committee. My name is Mark Kolterman, M-a-r-k K-o-l-t-e-r-m-a-n. I represent the 24th District of the Nebraska Legislature. I'm here today to introduce LB1127 on behalf of the Nebraska Medical Association. LB1127 provides for a \$10 annual patient safety fee for persons licensed as a physician, osteopathic physician, physician assistant, nurse, occupational therapist, pharmacist, or physical therapist. The revenue would be used to support the educational and patient safety activities of a patient safety organization described in Section 71-8701 through 71-8721, and the fee that's generated would sunset on January 1 of 2025. As a little bit of background, in 2005 the Nebraska Legislature passed legislation that formed the Nebraska Coalition for Patient Safety, NCPS. LB446 was introduced by Jim Jensen of Omaha on behalf of the Nebraska Hospital Association, the Nebraska Medical Association, Nebraska Pharmacists Association, Nebraska Nurses Association, Nebraska Health Care Association, and other healthcare organizations. It was proposed to improve the safety of healthcare delivery in Nebraska where stakeholders examine the system and issues that contribute to a patient's harm, and eliminate those as much as possible. Since 2005 the NCPS has been operating on funds contributed by the Nebraska Medical Association, the Nebraska Hospital Association, Nebraska Pharmacists Association, and grants from other entities such as COPIC. No state funds have ever been allocated to the NCPS and, thus, the NCPS's current ability to support patient safety is limited by its reliance on member fees and grants for financial support. While other organizations that were founding members and advocated for the creation of NCPS, they have not contributed any funds to date. Leaders and members in NCPS have worked together to develop a strategy to improve funding for NCPS that will enhance its effectiveness and visibility. These efforts are consistent with the vision of NCPS to improve the infrastructure for patient safety statewide. LB1127 creates a patient safety fee of \$10 per year per license for physicians, physician assistants, pharmacists, occupational therapists, physical therapists, and nurses to improve financial support for the NCPS. The Nebraska Medical Association leadership believes that, if all healthcare providers have skin in the game by paying the \$10 fee each year, then the NCPS will have more financial support and providers may be more engaged in the patient safety effort. The NCPS would use these additional financial resources to expand their efforts to nonhospital settings and would provide the same federally mandated protection from discoverability for patient safety events in all settings in which licensed providers practice in Nebraska. Consistent with the mission to improve the quality and safety of healthcare in the state, this information will be used to identify the unique and uncommon patient safety needs of all stakeholders. If this legislative initiative is successful, the NCPS will convene a strategic planning effort with representatives of all provider groups in settings to listen and plan a comprehensive needs assessment for patient safety infrastructure in the state. This infrastructure

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

includes the four key components of a culture of safety, reporting infrastructure, a just culture infrastructure, team training, and organizational training. LB1127 sunsets this fee on January 1, 2025, for the Legislature to determine whether the fee has accomplished the goals we proposed. I believe that Katherine Jones, president of the Nebraska Coalition for Safety--Patient Safety--board, is here and will be testifying in support of this bill. She would be able to answer any technical questions you might have about the current coalition, and I'd be happy to try and answer any questions that you might have for me at this point in time. [LB1127]

SENATOR ERDMAN: Any questions for Senator Kolterman? None at all? Can't let that happen. [LB1127]

SENATOR KOLTERMAN: Fire away. [LB1127]

SENATOR ERDMAN: Senator, on the fiscal note, it talked about this is a \$10 renewal but it's on a biennial basis. And then it went on to read, back on the back page of that, on that fiscal note, it said the expenditure portion of this fiscal note wouldn't go to zero if LB1127 is amended to change this to a biennial fee to coincide with the initial licensing and renewal. So if you did that, every other year it will be \$20 one year. Is that what you... [LB1127]

SENATOR KOLTERMAN: Yeah. In fact a lot of them pay their fee on a semiannual basis, so that's correct. [LB1127]

SENATOR ERDMAN: So I'm... [LB1127]

SENATOR KOLTERMAN: But it would take an amendment to do that. [LB1127]

SENATOR ERDMAN: It would take that, but it would take that \$68,000... [LB1127]

SENATOR KOLTERMAN: Yeah. And we just discovered that before. It was talked about just as I was coming in the door actually. [LB1127]

SENATOR ERDMAN: Makes sense. [LB1127]

SENATOR KOLTERMAN: But that's a good question. [LB1127]

SENATOR ERDMAN: Yeah. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR KOLTERMAN: Most of your licenses come around every two years. [LB1127]

SENATOR ERDMAN: Correct. Yes. I know if I was doing that, I'd rather pay at \$20 one time then have to remember to do that in the middle of the year. [LB1127]

SENATOR KOLTERMAN: Yeah. [LB1127]

SENATOR ERDMAN: Very good. Any other questions? As always, you get off easy. [LB1127]

SENATOR KOLTERMAN: Thank you. [LB1127]

SENATOR ERDMAN: Any proponents? Thank you for coming today. [LB1127]

EVELYN McKNIGHT: You're welcome. [LB1127]

SENATOR ERDMAN: Do you have handouts there? [LB1127]

EVELYN McKNIGHT: Yes. [LB1127]

SENATOR ERDMAN: Thank you. Please state and spell your name and begin when you're ready. [LB1127]

EVELYN McKNIGHT: (Exhibits 1 and 2) Evelyn McKnight, E-v-e-l-y-n M-c-K-n-i-g-h-t. Senator Chairman Erdman and members of the Health and Human Services Committee, thank you very much for allowing me to speak to you today. I'm here as 1 of 99 Nebraskans who contracted a deadly disease through medical error in Fremont in 2002. We were all cancer patients. We went to the doctor seeking help for one deadly disease but we came away with a second deadly disease--hepatitis C. Tragically, 6 of the 99 have died, not from cancer, but from hepatitis C. The remaining survivors continue to suffer physically, emotionally, financially, and socially to this day. Although about 50 other outbreaks have happened across the United States in the past 16 years since our outbreak, we retain the ignoble distinction of being the largest. The outbreak occurred because nurses reused syringes that had been used on a patient with known hepatitis C. Of the 99, about a third underwent grueling treatment but two thirds chose not to, thereby living the rest of their lives with the fatigue, joint pain, and ultimately liver failure that will undoubtedly shorten their lives. Our Nebraska tragedy resulted in financial, medical, and emotional disaster for those notified, for the victims, and for their families. Because hepatitis C is a chronic disease, their health continues to be jeopardized. Many are unable to obtain life

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

insurance. Lingering emotional trauma is unresolved. Approximately \$16 million was paid out from the Nebraska Excess Liability Fund in settlement of the 89 lawsuits. This was a concern for healthcare workers, as they worried about their malpractice insurance rates increasing. Private citizens worried that there would be an increase in taxes because of misinformation that was circulated that that was a possibility. The incredible thing about this tragedy is that it was entirely preventable. It happened through a preventable medical error. As disturbing as this is, I find it equally disturbing that statewide there was no systemic systematic education of healthcare providers of the causes of the outbreak so that that tragedy would not recur. The Heartland Health Research Institute is a nonprofit research organization that interprets data about healthcare. It published a report in 2016 that estimated the number of fatalities in Nebraska hospitals based on national estimates. A copy of that report is attached to my comments. Estimates are that the number of patients that die annually in Nebraska hospitals due to preventable medical error ranges from about 590, the population of Stuart, Nebraska, to 2,620, the population of Valentine, Nebraska. If these current trends continue, within ten years the number of people who will die in Nebraska hospitals due to preventable medical error will range from 5,900, the population of Chadron, Nebraska, to 26,200, the population of my hometown of Fremont, Nebraska. Imagine if Fremont, Nebraska, just disappeared because all of the inhabitants had died of preventable medical error. In addition to preventable medical error that results in death, there are considerably more people who are harmed through healthcare that sustain serious harm but not death. The Heartland Institute estimates that between 39,400 patients and 68,400 patients are seriously harmed by preventable medical error. This is approximately 80 percent of the capacity of Memorial Stadium in Lincoln. One life destroyed by medical error is one too many, but these numbers suggest that annually thousands of people in Nebraska have their lives destroyed by preventable medical error. These numbers represent real lives of real people. We are all patients, everyone in this room is a patient. We are all at risk for suffering harm caused by healthcare. We must take action to save ourselves and those we love from harm sustained through healthcare. Since 2005 we have had the means to examine adverse events and educate for prevention through the Nebraska Coalition for Patient Safety. However, the coalition is hampered in its reach and effectiveness by a limited and uncertain budget. As a survivor of the largest incidence of medical error in the state, I urge you to support LB1127 so that increased, consistent funding enables the coalition to do its job effectively and to prevent another such catastrophe from happening in Nebraska. Thank you very much. [LB1127]

SENATOR ERDMAN: Thank you very much. Thank you for your testimony. Are there any questions? Senator Williams. [LB1127]

SENATOR WILLIAMS: Thank you, Senator Erdman. And thank you for being here today. Are you part of the coalition right now, yourself? [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

EVELYN McKNIGHT: I'm...I'm not a board member of the Nebraska Coalition for Patient Safety. [LB1127]

SENATOR WILLIAMS: Okay. Do you know if someone from that organization is going to be testifying? [LB1127]

EVELYN McKNIGHT: Yes. Katherine Jones right after me. [LB1127]

SENATOR WILLIAMS: Thank you. I'll just wait then. [LB1127]

SENATOR ERDMAN: Very nice. Thank you very much. [LB1127]

EVELYN McKNIGHT: Uh-huh. [LB1127]

SENATOR ERDMAN: I'll throw it over to Senator Riepe. Senator Riepe, we are on proponents of LB1127. [LB1127]

SENATOR RIEPE: Okay. Thank you, Senator Erdman. Proponents, please come forward. Sounds like you've all been in good hands, so I thank Senator Erdman. I was at another hearing or opening on another piece of legislation, so I wasn't back in my office just sitting around. So if you'd be kind enough to give us your name and spell it, please, and tell us the organization you represent, then please go forward. [LB1127]

KATHERINE JONES: (Exhibits 3, 4, 5, and 6) Thank you. Good afternoon, Chairman Riepe and members of the Health and Human Services Committee. My name is Katherine Jones, K-a-t-h-e-r-i-n-e J-o-n-e-s. I am the president of the board of directors of the Nebraska Coalition for Patient Safety, and I am testifying on behalf of the coalition. Because adverse event reporting to the coalition is voluntary, we receive a fraction of the actual events estimated to occur, as reflected in Dr. McKnight's testimony. Our most recent report, which you have a copy of, indicates that since the coalition...since 2008 the coalition has received 482 events that resulted in harm or death to patients in Nebraska hospitals. We, healthcare professionals, inadvertently harm patients because we are all fallible human beings caring for patients within complex systems, and those patients are increasingly older and sicker. We must rapidly learn when technological innovation collides with human fallibility. We inadvertently harm patients because we learn very little about the nature of human error, systems thinking, and learning organizations as part of our training. Learning organizations ensure that their culture supports speaking up to those with more authority to advocate for patient safety by using scripted language: What if each nurse asked to reuse a syringe had said, I'm concerned, I'm uncomfortable, reusing a syringe is

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

not consistent with safe injection practices, this is a patient safety issue? For lack of these few words, so many suffer. The organizations in which we work too often review harmful and fatal events in isolation. Due to fear of litigation and adverse publicity, many healthcare organizations remain reluctant to share the number and nature of those events and their root causes for learning purposes. The state of Nebraska sought to address this issue in 2005 by protecting reported events from discovery and establishing a private, nonprofit, patient safety organization to receive those events. However, as Senator Kolterman explained, there is no funding to support this new patient safety organization. The coalition has sought to achieve the original goals of the legislation, as summarized in our annual reports. The coalition has encouraged a culture of safety by training hundreds of nurses, particularly in rural areas, to conduct thorough and credible root cause analyses in support of organizational learning. The coalition has trained hospitals to use the principles and tools of just culture and teamwork in support of advocating for patients and learning from reported events. We have shared lessons learned from reported event using nonidentifiable summaries, and we have conducted education to address knowledge and skill deficits revealed by these reported events. The problem is that these efforts are limited to the 61 hospitals that pay their membership fees. Relying on voluntary member and sponsor fees limits our capacity to understand the scope and nature of patient safety risks in hospitals and to expand our efforts to clinics, outpatient surgical centers, community pharmacies, and long-term care. Nebraskans--patients, healthcare professionals, and payers--should have access to information about the scope of the patient safety problems and potential solutions across the continuum of care. If LB1127 is enacted, the coalition will expand protection from discoverability across the continuum of care. We will engage all healthcare stakeholders, regardless of their position on this bill, to conduct a patient safety needs assessment, develop a strategy to address cross-cutting priority needs and then evaluate the effectiveness of these efforts. We will hire additional staff to receive the increased volume of reports and aggregate and analyze them. We will implement a communication plan to provide feedback to professionals and the public to describe these patient safety hazards and the resources needed to address them. We will expand our efforts to ensure all healthcare professionals have the knowledge, skills, and that scripted language, those simple words to advocate for patients. In summary, LB1127 has the power to engage all healthcare professionals in our most important priority--keeping our patients safe. Thank you. [LB1127]

SENATOR RIEPE: Let's see if we have some questions here. Senator Williams. [LB1127]

SENATOR WILLIAMS: Thank you, Chairman Riepe. And thank you for being here today. Help me understand a little bit about how you are funded today. [LB1127]

KATHERINE JONES: We receive membership fees from the membership hospital, the 61 hospitals. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR WILLIAMS: The 61 hospitals. [LB1127]

KATHERINE JONES: And they pay on a graduated scale according discharge numbers, with the smallest critical access hospitals paying the least and, of course, large systems paying more. [LB1127]

SENATOR WILLIAMS: If we passed this legislation and created this fee, what...how many employees would you be able to add? And would you be able to touch all of our facilities across the state? [LB1127]

KATHERINE JONES: I think that the most important thing to recognize is that we have to keep our learning accessible now only to our members. And so the most important thing we'll do is to be able to publicly post information on our Web site. As to the number of employees, once our needs assessment is done we'll be able to decide, well, how many clerical people do we need, how many people do we need trained at the Ph.D. level. If we're going to conduct surveys of organizational culture and address root problems, which is organizational culture, then we're going to need one or two people trained at the Ph.D. level. So the mix of the problems that we discover is going to dictate the people that we hire. I mean at most we're going to be hiring three to five additional people. [LB1127]

SENATOR WILLIAMS: Is there a mandatory requirement for participation in the program if we pass this legislation? [LB1127]

KATHERINE JONES: No. There was no mandatory requirement included in the legislation. [LB1127]

SENATOR WILLIAMS: Okay. How much of what you are doing should already be covered with continuing education that is required of these disciplines that are out there now? [LB1127]

KATHERINE JONES: You know, as I explained in our testimony, in my testimony, how you operationalize systems thinking is not something that's trained typically in healthcare professions education. Continuing education, depending upon where you seek it, includes...if we think about complex systems that we work in... [LB1127]

SENATOR WILLIAMS: Can you explain that to me? I'm missing...you're talking about systems education. Can you tell me what we're...can you explain that to me? [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

KATHERINE JONES: A system consists of different interacting elements. Your...the internal combustion engine is a system. Healthcare is a system. So when you come into the hospital and a clerk greets you, that clerk has certain training and he or she performs certain processes and then passes you to the next level of care. Then you're perhaps seen by the nurse. You're admitted. The nurse has certain processes she needs to follow. She needs to interact with technology in certain ways, such as the electronic medical record. It's a complex system and changes in any one part may have inadvertent outcomes in another part. So this idea that once we change...we think about systems in healthcare as the structures--the people, the education, the buildings, the equipment that they have, and the processes that they engage in--and it's through those structures and processes that we come to our healthcare outcomes, which include medical error. And I will tell you that a great deal of the effort that we engage in also includes supporting patient safety and quality in small rural hospitals when maybe there's one person who can wear that hat. So you understand when we have a system not all members of that system know what's going on. In Dr. McKnight's case, there was a complex system to provide infusion therapy, and a very simple thing, like not reusing a syringe, created such catastrophe for our outcomes. [LB1127]

SENATOR WILLIAMS: Thank you. [LB1127]

SENATOR RIEPE: I have a question. As an 18-year-old hospital corpsman, the idea of ever reusing a needle again was just incomprehensible. That's at 18. I mean that's just...I mean, my question, where I'm going with that, is it possible to fix stupid? I mean on some of these situations they're so...it will happen before you have a chance unless you go to...I don't know how they get there. That's I guess maybe just an emotional frustration. I do think this much is I think you're talking about organizational cultures, that you would go into organizations. I'm not sure how that's going to work out when you have some, you know, what CHI, which is soon to become nationwide, I mean how you going to engage in their culture? [LB1127]

KATHERINE JONES: Well, we already, Senator Riepe, we and many other patient safety organizations already conduct a family of surveys developed by the organ...the Agency for Health Care Research and Quality. These surveys include the hospital survey on patient safety culture, which incidentally includes an item that says, staff, feel free to speak up to those with more authority when patient safety is at stake. And you would be shocked to know how many people disagree with that statement in our hospitals across the nation. Many people are afraid to speak up to those with more authority, even when they know patient safety is at stake. [LB1127]

SENATOR RIEPE: You don't think that question is being asked today? And I come from a hospital. You know, we almost need a division of survey completions. I mean that's just how cumbersome it gets to be in the healthcare environment. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

KATHERINE JONES: Well, the hospital survey on patient safety culture, if you're a Joint Commission Accredited Hospital, you are mandated to evaluate and improve your safety culture over time. The Missouri patient safety organization conducts these surveys for hospitals and myself, in my other job, my day job, I use these surveys as part of organizational culture... [LB1127]

SENATOR RIEPE: Uh-huh. [LB1127]

KATHERINE JONES: ...assessments to help hospitals improve their culture. So that would be one service that we could offer if this is...we already conduct these surveys in many hospitals across the state. There are surveys for community pharmacies. There are surveys for ambulatory surgery centers. There are surveys for medical offices. You can't solve a problem if you can't measure it, and we can measure organizational culture just like we can measure your heart rate. [LB1127]

SENATOR RIEPE: I don't disagree that you can't solve if you can't measure. I guess my question is do you have time to solve when you're filling out literally hundreds of surveys? That's the hospital environment. One of the questions that I have is, should we sunset this legislation so that we give it a try? Too frequently, I think, in state government we give birth to something and 50 years later it may still be going. [LB1127]

KATHERINE JONES: Absolutely. [LB1127]

SENATOR RIEPE: I'm kind of a big fan of sunsets. [LB1127]

KATHERINE JONES: Absolutely, because that will hold us accountable. [LB1127]

SENATOR RIEPE: Okay. I understand it does have a sunset, so I'm happy. (Laughter) [LB1127]

KATHERINE JONES: Yeah, absolutely. As a health services researcher, one of my points was that we will plan from day one to come back here in 2025 and say to you these are the outcomes we have achieved with the resources you've provided. [LB1127]

SENATOR RIEPE: Okay. Who does your organization...who do you report to? Do you have a special board? [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

KATHERINE JONES: We have our...the board is us, 12 to 15 people that were created as part of the original legislation. [LB1127]

SENATOR RIEPE: And then you appoint yourself to succeed yourself? Is that how it works? Or do you do an election of your membership or...? [LB1127]

KATHERINE JONES: We have bylaws that indicate that members of the board come from the original founding associations and the public representatives as well. [LB1127]

SENATOR RIEPE: And who picks them though? I've seen many not-for-profit boards that pick their golf buddies or something like that and... [LB1127]

KATHERINE JONES: I don't have golf buddies. [LB1127]

SENATOR RIEPE: Well, you probably have library friends, so. But how is the board picked? I mean how do you...? [LB1127]

KATHERINE JONES: The founding associations typically choose their member representatives. And when we have vacancies on the board, we contact those founding associations to ask them to recommend somebody for membership on the board. [LB1127]

SENATOR RIEPE: I just know that we're very sensitive now about diversification, both economically and ethnically and everything else. I'm just curious how your board worked. How are your fees increased or is that provided for in the statute? [LB1127]

KATHERINE JONES: No, there is no provision to increase the fees. And our membership fees have been increased one time since 2008. A couple of years ago we just increased fees by 7 percent across the board, our membership fees. [LB1127]

SENATOR RIEPE: Okay. Thank you. [LB1127]

KATHERINE JONES: Thank you. [LB1127]

SENATOR RIEPE: You've been very engaging. I appreciate it. And Senator Crawford I think has, and welcome to the committee. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: Well, thank you. Thank you. And thank you, Chairman Riepe. Just to clarify on that last point when you say membership fees, do you mean membership fees as into like the Nebraska Association or did you mean licensing fees? [LB1127]

KATHERINE JONES: No, membership fees... [LB1127]

SENATOR CRAWFORD: Membership fees, right. [LB1127]

KATHERINE JONES: ...from the hospitals. [LB1127]

SENATOR CRAWFORD: Right. Okay. [LB1127]

KATHERINE JONES: So we refer to the Nebraska Medical Association, when they paid their fee, we referred to that as a sponsorship fee as opposed to a membership fee from a hospital. [LB1127]

SENATOR CRAWFORD: Great. Thank you. And I appreciate you being here to share your research on patient safety. And when you're talking about the fact that patient safety is some...a patient safety culture is something that can be measured, can you just give us a good example of something that you think is well-documented in research as the kind of measure that we might seek and that this cash fund might be used to improve on that measure? And I apologize if you did that and I wasn't here to hear. [LB1127]

KATHERINE JONES: No. No, no, no, that's fine. We look at learning and the types of culture, if you think about it from, again, a systems perspective, there are systems to report events. So we ask questions like, how often do you report an event in which a patient could have been seriously harmed? [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: You know, how often do you report that from on a Likert scale from, you know, never to always. [LB1127]

SENATOR CRAWFORD: Okay. Okay. [LB1127]

KATHERINE JONES: We would ask questions about are you afraid that you'll be punished for speaking up? And sometimes you'd be surprised that component about being punished for

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

speaking up tends to be the lowest perceived component of safety culture across the country. [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: We ask questions about teamwork: When others get busy we help them out. You'd be surprised how often, and that varies. You have different departments in a hospital and they're just like they all have completely different cultures. You don't...a large organization or even a small organization, they don't have one culture. Culture is dictated by the person who is the leader in that department. [LB1127]

SENATOR CRAWFORD: If I could ask a follow-up question... [LB1127]

SENATOR RIEPE: Please do. [LB1127]

SENATOR CRAWFORD: ...then just on that one measure, let's say how often...are you afraid you'll be punished for speaking up? So let's say we're measuring that and we can use these funds to help us measure that and track that. Would the funds...what could we use funds for to improve that? [LB1127]

KATHERINE JONES: So the coalition was fortunate enough that we obtained a grant from Blue Cross Blue Shield to conduct a just culture collaborative. [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: And in that collaborative what we really do is seek to teach managers how to manage behavior when it comes to doing things that are completely inappropriate, that an 18-year-old would know not to do, like reuse a syringe. But when you have a person in authority telling you to do that, you know, what do you do? So we look at human behavior when it comes to making the mistake as human error. I forgot. I just...I drove right past my exit because I was thinking about something else. We've all done that. That's human error. Then we have what we call at-risk behavior and that's driving 82 miles an hour from Lincoln to Omaha on the interstate. You do that because you get a reward for it. You get there faster and you mistakenly think there's no risk. That's called at-risk behavior. Reckless behavior then is you know you're doing something wrong and you choose to do it anyway. So a manager, we teach them to look at human error in these three buckets, and what do you do? Human error, you console and you look at your systems. At-risk behavior, you coach and you look at your systems. Reckless behavior, you punish. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: Uh-huh. [LB1127]

KATHERINE JONES: Now there is a shared accountability that we teach managers about that each of us, as individuals, as Chairman Riepe said, the 18-year-old knows better. Every nurse knew better. So you are accountable for your own behavior. But managers are accountable for the systems in which we work and if those nurses were afraid of losing their jobs because they did not save money for the clinic by reusing syringes, what a dilemma. Where do they go? Who do they speak to? They didn't know. [LB1127]

SENATOR CRAWFORD: Uh-huh. [LB1127]

KATHERINE JONES: Okay? So management, there's a shared accountability. I'm accountable for my behavior but managers are accountable for the systems and the culture in which we work. [LB1127]

SENATOR CRAWFORD: Thank you. That's very helpful. So this is really attention to that which may not be something you learn in medical school and... [LB1127]

KATHERINE JONES: Or physical therapy school... [LB1127]

SENATOR CRAWFORD: ...or physical therapy school... [LB1127]

KATHERINE JONES: ...or nursing school. [LB1127]

SENATOR CRAWFORD: Absolutely. [LB1127]

KATHERINE JONES: Right. Right. [LB1127]

SENATOR CRAWFORD: Thank you so much. I appreciate that. It's very helpful. [LB1127]

SENATOR RIEPE: Are there other questions? Senator Erdman, please. [LB1127]

SENATOR ERDMAN: Thank you. Thank you, Senator Riepe. Thank you for coming. So in your testimony I believe you said you have 61 hospitals as members, right? [LB1127]

KATHERINE JONES: Correct. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR ERDMAN: How many are not members? How many hospitals are there? [LB1127]

KATHERINE JONES: Well, there's 84 general community hospitals, thereabouts. [LB1127]

SENATOR ERDMAN: Okay. That's okay. [LB1127]

KATHERINE JONES: Yeah. [LB1127]

SENATOR ERDMAN: So... [LB1127]

KATHERINE JONES: Eighty-nine. [LB1127]

SENATOR ERDMAN: So that's voluntary? They volunteer to join, right? [LB1127]

KATHERINE JONES: Yes. [LB1127]

SENATOR ERDMAN: Okay. So on the count that I see here on the fiscal note, there could be up to 5,500 and...55,508 total professional people who would contribute \$10. It's going to be voluntary? They're going to voluntarily this \$10 or is it mandatory? [LB1127]

KATHERINE JONES: No, I believe that's not the intent of the legislation that that be... [LB1127]

SENATOR ERDMAN: Okay. I thought...I thought the answer to Senator Riepe, it was going to be voluntary. [LB1127]

KATHERINE JONES: No, I misunderstood. I mean that's not my understanding of the legislation. [LB1127]

SENATOR ERDMAN: Okay. So it's going to be...this \$10 will be required. [LB1127]

KATHERINE JONES: Yes. [LB1127]

SENATOR ERDMAN: Okay. [LB1127]

KATHERINE JONES: I thought he meant... [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR ERDMAN: All right. [LB1127]

KATHERINE JONES: I'm sorry, I misunderstood. [LB1127]

SENATOR ERDMAN: Okay. I must have misunderstood your response. Thank you. That was mine. Because my question was going to be if you can't get the hospitals to join now voluntarily, how are you going to get these members? But if it's...understand. [LB1127]

KATHERINE JONES: Well, there's such things as early adopters... [LB1127]

SENATOR ERDMAN: Yeah, right. [LB1127]

KATHERINE JONES: ...and those who are not early adopters. [LB1127]

SENATOR CRAWFORD: Right. [LB1127]

SENATOR ERDMAN: So what's your budget now? [LB1127]

KATHERINE JONES: Our operating budget is about \$260,000 a year. [LB1127]

SENATOR ERDMAN: Two sixty, and this would add five fifty, so it would be about 100 percent more, twice as much. [LB1127]

KATHERINE JONES: (Inaudible). [LB1127]

SENATOR ERDMAN: Okay. Thank you. [LB1127]

SENATOR RIEPE: Are there...I'm sorry. Senator Howard, yes. [LB1127]

SENATOR HOWARD: Thank you. Thank you for visiting with us today. You mentioned that reporting is voluntary. So even if you're able to get this additional funding, how do we guarantee that you'll be able to get the information you need to provide the analysis that would be most helpful? [LB1127]

KATHERINE JONES: One of the things that we've and I've discovered after 15 years is that the same root causes show up over and over and over again. One of our problems in patient safety

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

research is it's hard to...success is things that don't happen. So in order to demonstrate improvement, we are going to have to have collaboratives where we all agree on what's the numerator, what's the denominator, and let's take a look at how this changes over time. It's very difficult. Once we have events reported...again, the same issues in terms of root causes tend to show up and we can address those issues repeatedly. Part of it has been, you know, being able to reach...it's a constant battle to keep people educated as how to conduct an effective root cause analysis. There's constant turnover. In our critical access hospitals we train one person, and if that person leaves then we've got to train another person. So there's a constant need to continue to replenish that structure of care, the people that have the knowledge to get at these issues. So we can look at success in terms of, you know, how many people we train in addition to what our outcomes are. Did I...did I... [LB1127]

SENATOR HOWARD: I guess I'm just wondering why last year you said you only got 482 incident reports. [LB1127]

KATHERINE JONES: Right. [LB1127]

SENATOR HOWARD: Right. But that's not all of the incidents that occurred in a hospital in the state of Nebraska. [LB1127]

KATHERINE JONES: Oh, absolutely not. There's a bias towards protecting those events that are most harmful. [LB1127]

SENATOR HOWARD: Even though they're not discoverable. [LB1127]

KATHERINE JONES: Even though they're not discoverable. I mean you want to protect what you fear may be discovered. [LB1127]

SENATOR HOWARD: So I guess, I guess what I'm trying to understand is why are you not asking us to make reporting mandatory? [LB1127]

KATHERINE JONES: Because I want the legislation to pass. (Laughter) [LB1127]

SENATOR HOWARD: That's fair. There you go. [LB1127]

SENATOR RIEPE: Probably the best testimony we've heard all week. (Laughter) [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

KATHERINE JONES: You know we get information from those folks that want to learn and those...we have hospitals that tell us, we don't have patient safety events. I don't know of any place that employs perfect human beings. [LB1127]

SENATOR HOWARD: Thank you so much for visiting with us today. [LB1127]

SENATOR RIEPE: Senator Crawford, please. [LB1127]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you again for being here and sharing your experience and expertise. So I guess the emphasis from this patient safety argument, if you just mandated it people still wouldn't do it. The idea is to change the culture so people understand why reporting matters and learn from the reporting and turn it into a cultural changing event, exercise, as opposed to a punitive, it's mandatory to report it and you're going to get in trouble if you don't report it kind of approach. Is that fair? [LB1127]

KATHERINE JONES: Yes. And I'm not much of a political scientist, but my one health policy class taught me about incremental change. So... [LB1127]

SENATOR CRAWFORD: Right. Yes. There we go. [LB1127]

KATHERINE JONES: ...let's do this first and... [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: ...then we can take a look at it. And again, there are many organizations, hospitals that have been part of the coalition for years and have never reported anything, but they're a member of the organization because they want to learn from what others report. [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: So I don't care how they get it, you know? [LB1127]

SENATOR CRAWFORD: Could I ask one more question? Do you have any evidence that you share with us, and again I apologize if you did this before I got here, to show how patient safety has improved since the founding of the coalition? [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

KATHERINE JONES: And again, because we cannot accurately count numerators of events... [LB1127]

SENATOR CRAWFORD: Okay. Okay. [LB1127]

KATHERINE JONES: ...because we can't get that, I can only speak to the structure, the people and what they do. And we now have organizations, some of our smallest hospitals, that know how to conduct a thorough and credible root cause analysis... [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: ...that did not know how to do it before. [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

KATHERINE JONES: We have many organizations where people do know how to say, I'm concerned, I'm uncomfortable. So we can look to structure and process measures when I can't give you the outcomes. [LB1127]

SENATOR CRAWFORD: Thank you very much. I appreciate that. Thank you. [LB1127]

SENATOR RIEPE: Sounds like one of your organizational goals is to put trial attorneys out of work forever. I see a head bobbing. You don't have to answer that. [LB1127]

KATHERINE JONES: That's... [LB1127]

SENATOR RIEPE: That's okay. [LB1127]

KATHERINE JONES: I'll stick to what I know. [LB1127]

SENATOR RIEPE: Thank you. That's fine. Just being a smart aleck. Are there any other questions from the committee? You've been very informative. We appreciate it very much. Thank you. [LB1127]

KATHERINE JONES: Thank you so much for this opportunity. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Additional proponents. Yes, Sir. Welcome, Sir. If you'd be kind enough... [LB1127]

DANIEL ROSENQUIST: (Exhibit 7) Thank you, Chairman Riepe. My name is Daniel Rosenquist. I'm a practicing physician and here to represent the Nebraska Medical Association. As a disclosure... [LB1127]

SENATOR RIEPE: Would you spell your name, Sir? [LB1127]

DANIEL ROSENQUIST: Sorry. [LB1127]

SENATOR RIEPE: Thank you. [LB1127]

DANIEL ROSENQUIST: Daniel, D-a-n-i-e-l, Rosenquist, R-o-s-e-n-q-u-i-s-t. I have an active family medicine practice in Columbus, Nebraska. As a disclosure, I would also like to let everyone know that I am a member of the Nebraska Medical Association and I do serve as chairman of the Greater Nebraska Caucus. I actually am a member, a board of director member, of the Nebraska Coalition for Patient Safety, where I serve as vice president, and also chairman of the reporting committee. I am also a patient safety and risk management consultant to COPIC, which is a medical professional liability company in...based in Denver that also sells policies here in Nebraska. In fact, I first became involved with patient safety in the mid-'90s and Mrs. McKnight alluded to our...the landmark study and presentation which was "To Err is Human" back in 1998-1999. We actually started our patient safety committee at Columbus prior to that. I thought it was difficult to believe and I'm very humbled to realize that they grossly underestimated the numbers. It was a well-designed study but it was based only on hospital care and did not at all look at outpatient studies. And as such, I come from a practice, a family medicine practice, with seven physicians and four nurse practitioners. We probably see 200 or more patients a day come in and out of our office. When you think about that, that's 1,000 a week, 50,000 a year coming in and out of our office. This is one practice in one city in Nebraska. The CDC every year puts out numbers on hospital contacts and outpatient contacts. If you applied those numbers, and Nebraska is always a little bit different, they're probably not...they probably do not utilize services as much as otherwise. But if you were to look at this, it would be 780,000 visits to a hospital facility in a year and 5.4 million, too, with the outpatient offices. We're getting a tip of the iceberg. Unfortunate...fortunately, through the foresight of Blue Cross Blue Shield and just culture initiative, we've done a very good job of getting into hospitals. Even if we cannot get them to report adequately in numbers like they should, we've gotten into them. We've implemented with just culture and trying to change behaviors. We've done nothing for the outpatient world. And where the intensity, the acuity of services and illnesses in the outpatient is much less than it is in a hospital setting, the sheer number and volume is going to lead to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

significant numbers of problems. I like to think it really does take a village to provide care these days. It's not just me. I'm a physician but if I don't have a system, which is my team, I can't do it. I need people at the front desk to help me. I need the nurses. I need people to support me. I'm here today in Lincoln. My practice is...I still have my practice is going on. How can I help these people? There are things that are happening out here and the coalition can help us provide and gather some of this information, things that are happening in the offices in the outpatient world, and educate us. Even though we can't get all the hospitals to report, I know that these hospitals, even when they don't report, they go back and they look at the information we give to them and they put it back and out, they disseminate it to their nursing...nurses and other people. So it's good, even though we can't get them to report, which we would like them to do, and that's because their legal counsel says it's not...they're worried about protection. They will actually still disseminate that information and still learn. And I think behaviors are difficult. Eighteen-year-olds know...sometimes know better than sixty-year-olds. But on the other hand, we can change that. I think part of this is we're all patients, either now or we will be in the future. None of us go to the doctor to be harmed and none of us want our families to go there. And I think as practicing providers, none of us intend to harm anybody in any one given day. But at the same time, we're making mistakes that we don't realize we're making. Unfortunately, as part of the reporting committee in my consultant role for COPIC, we see the same things over and over and over. I sometimes blur the lines between where I've seen these events because they happen. I mean I'm not seeing new events; I'm seeing old events over. Thank you. [LB1127]

SENATOR RIEPE: Thank you. Let's see if we have some questions. I have a question. One of the concerns would be is in an automobile accident, if you talk to your attorney, the first thing they say is, don't admit to anything, okay? We start from that position. I would think that the hospitals would very...be concerned. And they've come a long way to the point where they would tell a family, we made a mistake, we're sorry. But to go on further and totally disclose every case that you have potentially in litigation, contingent litigation, is, I would think, awfully brave on their part, awfully risky on their part, potentially very dangerous and very expensive on their part. And their insurance companies would probably say, get somebody else if you're going to be that bold. But would you respond to that? Am I way off? [LB1127]

DANIEL ROSENQUIST: Yes. And one of my attractions to COPIC when they came to me and asked me to become a consultant for them is COPIC's mission, one of their missions, is they want to be a patient safety company that actually sells liability. They actively go out and they don't...we don't look at just claims. We look at adverse...I go out and teach patient safety. We also teach disclosure of adverse outcomes. We...COPIC, has felt that the best way to manage these types of things--and this has been done at University of Tennessee in the VA system there; University of Chicago, Illinois; University of Michigan; and Stanford--they actually find that disclosure does not increase the number of litigation, of the amount of litigation. But what it does do is it helps us to study those events, to look at those events and say, what did we do

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

wrong and what could be done better? If we...I always think that when I came out of residency, if you or if any one of you ever end up on a ventilator in an emergency, in an ICU, you got about a 20 to 25 percent chance that you are going to get a pneumonia. If we accept anything over 1 percent nowadays, we have...we're studying this, and it's only because we questioned the status quo and looked at what was going on and say, what is...how come this place over there is doing something better and having better outcomes and what can we learn? If those things aren't...if we can't learn from those types of things...but part of that is the disclosing adverse outcomes and openly, honestly managing those in a (inaudible) in a nonpunitive fashion. [LB1127]

SENATOR RIEPE: As a gray-haired hospital administrator, we usually say, you first, then I'll see. [LB1127]

DANIEL ROSENQUIST: And I'll say I will do it. I have been in disclosures. [LB1127]

SENATOR RIEPE: No, I'm saying the other hospitals, the bigger,... [LB1127]

DANIEL ROSENQUIST: Yes. I understand what you're saying. [LB1127]

SENATOR RIEPE: ...competitive hospital. So thank you. Are there other questions? Senator Linehan, please. [LB1127]

SENATOR LINEHAN: Can you give us...thank you, Chairman Riepe. And thank you very much for being here. Can you give us examples of what you see over and over again? [LB1127]

DANIEL ROSENQUIST: Medication errors most commonly, that's just because there's the sheer volume of medication errors; falls; safety events; unfortunately, nowadays, suicides, suicidal attempts in facilities; communication; documentation. I am, as another disclosure, I am now an office-based physician. I no longer do hospital care. I don't do emergency room. I don't do deliveries. But what that does is made...somewhat made my life more complicated because we're totally dependent on transition of cares, hospital to...you know, patient from the...in the emergency room to the inpatient care, from the inpatient care to the nursing home, inpatient care to the office, back and forth, and we're changing medications. And so transition of care is documentation, communications systems. The system is everybody out there is the whole team. [LB1127]

SENATOR LINEHAN: In this cultural change, I have a daughter that's a nurse. Okay? She doesn't work in Nebraska so it's not going to (inaudible). But she does, I've talked to her multiple times where she questioned a doctor and it's hard for a nurse to do that. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

DANIEL ROSENQUIST: Yes. [LB1127]

SENATOR LINEHAN: So is there a way that the medical schools or the nursing schools could do a better job of addressing their obligations in their profession once they're practicing? [LB1127]

DANIEL ROSENQUIST: Unfortunately, personalities are personalities, and personality disorders are almost impossible to change. And I think part of this is we're all driven. You're driven. I'm driven. Everybody in this room is driven. And our success and our fear of failure sometimes overrides our fear of success or our desire for success. And those are those barriers and those walls, and how can we build...break into those, how can we address those and manage those difficult... [LB1127]

SENATOR LINEHAN: Thank you. [LB1127]

DANIEL ROSENQUIST: ...behaviors? [LB1127]

SENATOR LINEHAN: Thank you. [LB1127]

SENATOR RIEPE: Definition of medication errors, does that mean wrong medication or does that mean one hour off the clock? [LB1127]

DANIEL ROSENQUIST: All those things: wrong medication, wrong dose, wrong right. There's the five rights, and I'm going to get these wrong because I don't...right medication, right dose, right timing, right administration, right amount. Sorry. I knew somebody would have these. [LB1127]

SENATOR RIEPE: Sounds like Cub Scout oath. [LB1127]

DANIEL ROSENQUIST: Yes. And I'm sorry they don't teach that in medical school. They teach it in nursing school. They do it very well. But they don't do it very well in medical school. [LB1127]

SENATOR RIEPE: Okay. There you go. Thank you. [LB1127]

DANIEL ROSENQUIST: Thank you. [LB1127]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Are there other questions? Thank you very much. You've been very helpful. We appreciate it. Additional proponents, please? If you would, Sir, be kind enough to introduce yourself, spell your name, and tell us who you represent,... [LB1127]

KURT SCHMECKPEPER: Yes, Sir. [LB1127]

SENATOR RIEPE: ...and proceed on. [LB1127]

KURT SCHMECKPEPER: Thank you. My name is Kurt Schmeckpeper, K-u-r-t S-c-h-m-e-c-k-p-e-p-e-r. Hello, Chairman Riepe and members of the Health and Human Services Committee. Thank you very much for this opportunity. Again, my name is Kurt Schmeckpeper. I am testifying in support of LB1127 on behalf of Nebraska Academy of Physician Assistants, also known as NAPA. NAPA is the state professional organization for physician assistants. It's the constituent chapter of the national organization known as American Academy of Physician Assistants. NAPA was started in 1975 by the first graduating class of the University of Nebraska Medical Center. The program today serves and represents PAs across the state. Our goal as PAs include transforming health through patient-centered, team-based medical practice. NAPA greatly appreciates the work of Senator Kolterman and the supportive efforts of enhancing patient safety activities. NAPA is one of the five founding organizations of the Nebraska Coalition for Patient Safety and we remain in commitment to ensure safety and quality of healthcare in Nebraska. We believe a modest patient safety fee for healthcare providers is appropriate to increasing funds for the coalition. If funding provided for the enhancing of NCPS activities, NAPA would be interested in having the coalition provide PA-specific information regarding patient safety events that would provide valuable and important improvement specific to our profession. Thank you very much, Committee, for the consideration of this important legislation to improve healthcare delivery in Nebraska. And NAPA would respectfully request the committee's support for LB1127. I'd be happy to answer any questions that you have. [LB1127]

SENATOR RIEPE: Let's see if we have some questions. Now any...Senator Williams. [LB1127]

SENATOR WILLIAMS: Thank you, Chairman Riepe. And thank you for being here. Do you think there will be any objection by members of your association in paying the annual fee? [LB1127]

KURT SCHMECKPEPER: Yeah. (Laughter) Yeah, I have no question, and I've even had it from my own board. And it comes back to this: It's patient safety. And it came back before, too, what my colleagues were saying before. It's a team-based approach. Senator Riepe, you said, well, you first. This is where the providers, us on the front line, have to step up and say, okay, us first.

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

We're taking the leadership and saying we're going to do what we need to do to get the information we need. To elaborate on some of your questions you had before to some of my colleagues, the biggest thing that popped up to my head is when you were talking about systems. When you're growing up, your grandmother made a great, probably, cinnamon roll recipe or some other kind of dish, and it was passed on from generation to generation. There's key components to each part of the process. But I'm sure you or your mom or your daughter or your son is going to tweak it just a little bit to make it better than Grandma or Grandpa. That's all we want to do. We want to find out the information. We have core things. Each facility has the core, but we can always get better. And we can't get better unless we have the information. [LB1127]

SENATOR WILLIAMS: So I guess my follow-up question then is rather than your industry just taking on the responsibility of adding on some cost, you would rather have us require that of your industry with legislation. [LB1127]

KURT SCHMECKPEPER: I do like the fact that, as Senator Riepe made, it was a "sundowning" bill. I think as we continue to communicate with our members, they'll understand the process and the need for the fee. So eventually I don't think it's going to be that big of an issue and hopefully that other people will follow our lead and want to hop on and help out. [LB1127]

SENATOR WILLIAMS: Okay. Thank you. [LB1127]

KURT SCHMECKPEPER: Uh-huh. [LB1127]

SENATOR RIEPE: Thank you, Senator Williams. Are there other questions? Seeing none, thank you for being with us today. We appreciate it. [LB1127]

KURT SCHMECKPEPER: Thank you very much for the opportunity. [LB1127]

SENATOR RIEPE: Additional proponents? If you'd be kind enough to state your name and spell it for us, please, and then who you represent. [LB1127]

MONICA SEELAND: Sure. Good afternoon. My name is Monica Seeland, M-o-n-i-c-a S-e-e-l-a-n-d, and I'm the vice president of Quality Initiatives with the Nebraska Hospital Association. The NHA is the influential voice for Nebraska's hospitals and health systems, providing leadership and resources to enhance the delivery of quality patient care and services to Nebraska communities. On behalf of our members and the over 10,000 patients our hospitals serve daily, we'd like to thank Senator Kolterman for introducing this legislation and offer our testimony in support of LB1127. The coalition, as Senator Kolterman said, was formed in 2005 and I'm

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

probably one of the few people in the room who was still around in 2005 and helping to lead the charge. But the NHA convened a work group. We cast a wide net of people interested in this issue and that work group analyzed the issue in Nebraska. They made recommendations regarding the reporting of what we call patient safety events, education to reduce those events, and then the need for legislation which ultimately allowed for the formation of the Nebraska Coalition for Patient Safety. As I said, I've been involved since its inception. It was about a three-year process of meeting before we got to the point of legislation in 2005, and that was before the Judiciary Committee. Again, the NHA is one of the founding members of the coalition. We continue to encourage our hospital members to participate in the coalition and have been a financial supporter of the coalition since the beginning. Hospitals recognize the need to improve the quality and safety of healthcare delivery and step forward voluntarily to begin the sharing of information as one method to accomplish that goal of achieving safer care. According to the NCPS's latest annual report, preventable medical errors, however, are still estimated to be the third leading cause of death in the United States, so we must continue to make every effort available to help ensure that healthcare professionals are continuously learning, communicating with each other to reduce those causes of error, system causes of errors. Increasing the funding for NCPS will enable the NCPS to expand data collection and analysis efforts, turning that data into useful information that can be then shared to help inform processes and procedures in each facility, making healthcare safer for all of us who are going to be patients at some point but also creating a safer environment in which our healthcare providers can work. We want to make sure that it's easy for me to do the safe right thing and harder for me to do the wrong thing and cause harm to that patient. So I thank you for your time and urge you to advance LB1127. And if there are any questions, I'd be happy to try and answer. [LB1127]

SENATOR RIEPE: Are there questions from...Senator Crawford, please. [LB1127]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you for being here to testify. I appreciate that. I appreciate your history on the coalition. Is it the case that hospitals have a statutory obligation to contribute? [LB1127]

MONICA SEELAND: No. [LB1127]

SENATOR CRAWFORD: No. Okay. [LB1127]

MONICA SEELAND: It's all voluntary. [LB1127]

SENATOR CRAWFORD: Okay. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

MONICA SEELAND: As you said, you go first, we tried to look at the coalition as let's create that environment where we can join hands and go together and create that framework where hospitals could report incidents. It's voluntary. The dues that they pay to the coalition is all voluntary. There is no mandate. [LB1127]

SENATOR CRAWFORD: And do you anticipate that those dues will continue when if this bill were to pass and the contributions tied to licenses were to become mandatory? Would the voluntary hospital contributions continue to be an important part of the coalition resources? [LB1127]

MONICA SEELAND: I would think so, yes. Uh-huh. [LB1127]

SENATOR CRAWFORD: And I guess I thought it was very telling, the testimony from Dr. Rosenquist who talked about moving kind of outside of the hospital to all these other settings that we need to examine. [LB1127]

MONICA SEELAND: Uh-huh. [LB1127]

SENATOR CRAWFORD: Do you think there's a shared vision in the coalition to move in that direction just, I mean, to continue to improve what you do in hospitals but to move in this direction of attention to out-of-hospital settings with this new funding? [LB1127]

MONICA SEELAND: Most definitely. I mean certainly it was my vision back in 2002 when we started this effort that, you know, this would expand to all of healthcare. And as we see more and more healthcare is now being provided in the outpatient setting, that's an important arena that we really need to bring in. You know, a lot of patients luckily...I seldom go to a hospital, but I see my doctor once or twice every year. So we need to get into that environment too. And another benefit to the coalition and the education that Katherine would like to put on the Web site is just the benefit to all of us as patients and so that we're aware of situations. And so if you have a loved one in the hospital or an outpatient clinic or an ASC, there are certain things you'll watch for because you're better informed yourself. [LB1127]

SENATOR CRAWFORD: Thank you, Ms. Seeland, and thank you for being here today. [LB1127]

MONICA SEELAND: Sure. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: I know all errors are not limited to hospitals. Some happen in physician clinics and offices, etcetera. [LB1127]

MONICA SEELAND: Uh-huh. [LB1127]

SENATOR RIEPE: Can you share with me a little bit the numbers or percentage of errors medical hospital--let's pick on hospitals--hospital-based errors versus hospital acquired infectious diseases? [LB1127]

MONICA SEELAND: I cannot give you an... [LB1127]

SENATOR RIEPE: Any guess? [LB1127]

MONICA SEELAND: ...exact number, no. [LB1127]

SENATOR RIEPE: I was just curious which one was the bigger problem. [LB1127]

MONICA SEELAND: Well, I would consider a hospital-acquired infection a hospital error. [LB1127]

SENATOR RIEPE: Oh, okay. [LB1127]

MONICA SEELAND: So that, you know,... [LB1127]

SENATOR RIEPE: That's fair. [LB1127]

MONICA SEELAND: ...to prevent a ventilator-associated pneumonia, we know if we elevate that head of the bed. We know if we do that--love the term "sedation vacation"--there are certain things that we do that if we do that for the patient, even though I'm on a ventilator, if you get me up and walk me around, I'm going to have decreased chance of getting a ventilator-associated pneumonia, so. [LB1127]

SENATOR RIEPE: That's a very good point. Thank you very much. [LB1127]

MONICA SEELAND: Uh-huh. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Are there other questions from the committee? Seeing none, thank you very much. [LB1127]

MONICA SEELAND: Thank you. [LB1127]

SENATOR RIEPE: We appreciate it very much. Proponents. Are there any other proponents? Seeing none, do we have anyone speaking as an opponent, in opposition? And we have...I see some people standing up at least. Okay. Welcome. If you'd be kind enough to state your name and spell it, please, and then tell us your organization. [LB1127]

MELISSA FLORELL: (Exhibit 8) Absolutely. Good afternoon. My name is Melissa Florell, M-e-l-i-s-s-a F-l-o-r-e-l-l. I'm here today on behalf of the Nebraska Nurses Association. The Nebraska Nurses Association is speaking in opposition to LB1127. But let me be clear. NNA is not opposed to patient safety initiatives, quite the contrary. But let's be honest. LB1127 is less about patient safety and more about increased fees for 40,000-plus licensed healthcare providers in Nebraska, three-quarters of whom are nurses. The purpose of this increased licensure burden is to create a new revenue source of approximately \$418,000, which was the initial information that we received--I know the fiscal note is slightly different than that--for one private, nonprofit organization. LB1127 asks all licensed healthcare professionals to contribute \$10 per year, or \$20 per licensure cycle, to create a Patient Safety Cash fund for exclusive use by a patient safety organization. This increased fee will make Nebraska licensing rates less competitive with surrounding states. It will tie us with Iowa as the most expensive state in the region at \$143 per renewal. Just to compare, Colorado's cost for initial licensure is \$88, and Wyoming is \$100. The Nebraska Nurses Association values all efforts to improve patient safety and also create safe working environments for registered nurses. However, we object to a 16 percent increase in licensure fees for a nonprofit organization that's been in existence for several years but whose impact is difficult to measure. We did not take the decision to oppose this funding concept lightly. We've had several conversations with NNA members and other key nursing stakeholders, including the Nebraska Organization of Nurse Leaders and the Nebraska Nurse Practitioner Association, and I've been asked by those associations to share their joint opposition to this funding structure. NNA members who have worked closely with NCPS have shared that while the information that they provide is valuable, it does not benefit front-line nursing staff nor does it support Nebraska's ability to educate, attract, or retain registered nurses. The work conducted by NCPS primarily benefits member hospitals and, therefore, we feel it should primarily be supported by those member organizations and systems. An alternative funding structure for NCPS would be to continue to pursue additional grant funding. Nebraska statute 71-8702 states that there are advantages to having private, nonprofit corporations act as patient safety organizations rather than a state agency, including the enhanced ability to obtain grants and donations to carry out patient safety programs. Is it really appropriate to fund a private nonprofit with licensure fees? Patient safety organizations in Nebraska currently contract with licensed

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

hospitals and yet only 57 percent of nurses work in hospital settings. Research shows that for those hospital settings adequate RN staffing is a primary factor in patient outcomes. Adequate RN staffing can improve patient satisfaction and health-related quality of life perceptions and also reduce or decrease medical and medication errors, patient mortality, hospital readmission. It also can reduce those preventable events, such as patient falls, pressure ulcers, central line infections, as well as nurse fatigue, allowing those registered nurses to stay at the bedside. Attracting and retaining registered nurses as part of safe staffing initiatives is not part of the mission of Nebraska's patient safety organization. Data does not show that Nebraska currently has a patient safety crisis, even though, I mean, that doesn't minimize the need to enhance patient safety. But it does show that we have some serious work to do in the area of nursing work force. And we would strongly encourage any potential nurse licensure fee increase be devoted to improving Nebraska's ability to attract, educate, and retain registered nurses. And, therefore, we respectfully ask the Health and Human Services Committee to reject the funding structure proposed by LB1127, although I thank Senator Kolterman for starting the conversation because patient safety is important to all of us. I'd be happy to answer any questions. [LB1127]

SENATOR RIEPE: Okay. Let's see what we've got. Do we have any questions? Senator Linehan, was your hand up? [LB1127]

SENATOR LINEHAN: No, it wasn't. Thank you. [LB1127]

SENATOR RIEPE: Okay. I think you talked a little bit about the alternate structure and that would be to have the institutions, I'm sure the Hospital Association would embrace that. Also... [LB1127]

MELISSA FLORELL: Yeah, right now those fees have been voluntary. I just see some opportunity for increased funding structure from those member organizations and systems. And I mean we've talked to a lot of folks who have worked with this data who it was in their job description as nurses to work with this information, and they all say it's valuable but they also say that it doesn't get to that problem of safe patient staffing and RN, you know, attraction and retention, so. [LB1127]

SENATOR RIEPE: Do you have the name of any private organizations? You talked about private organizations versus states. Do you... [LB1127]

MELISSA FLORELL: Well,... [LB1127]

SENATOR RIEPE: ...are there any... [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

MELISSA FLORELL: ...the Nebraska Coalition for Patient Safety... [LB1127]

SENATOR RIEPE: ...are any of those in existence? [LB1127]

MELISSA FLORELL: ...is a private nonprofit. It was... [LB1127]

SENATOR RIEPE: Which one? I'm sorry. [LB1127]

MELISSA FLORELL: NCPS. [LB1127]

SENATOR RIEPE: Okay. Okay. Are there other questions from the committee? Thank you very much for being here, for coming in. [LB1127]

MELISSA FLORELL: Thank you. [LB1127]

SENATOR RIEPE: Additional opponents. Thank you for being here. [LB1127]

NICOLE FOX: Thank you. [LB1127]

SENATOR RIEPE: If you'd be kind enough to...we know you but if you'll state your name and spell it,... [LB1127]

NICOLE FOX: I know. I know the routine. [LB1127]

SENATOR RIEPE: ...we will ask you to go forward. [LB1127]

NICOLE FOX: (Exhibit 9) Nicole Fox, N-i-c-o-l-e F-o-x, representing the Platte Institute, director of government relations, and I am here today in opposition to LB1127. And I understand that this is a bill of the Nebraska Medical Association and we were contacted by several individuals asking us to not oppose this bill, but I just want to say, as a policy think tank, we weigh in on occupational licensing bills as follows. We support those bills that reduce barriers to work. We oppose bills that impose barriers to work. And we weigh in neutrally when we feel like a bill maybe is a step in the right direction and we'd like to provide some insight. A few weeks ago the Platte Institute was here to testify in support of Senator Howard's bill which would waive licensing fees for some first-time license applicants. And, you know, to be reputable as a policy organization we must be consistent on our positions. LB1127 creates a Patient Safety Cash Fund and this fund shall only be used to support the activities of a patient safety organization by

Health and Human Services Committee
February 21, 2018

charging an annual patient safety fee of \$10, in addition to existing licensing fees, for physicians, osteopathic physicians, physician assistants, nurses, occupational therapists, physical therapists, and pharmacists. According to the Institute for Justice, the average occupational license costs workers \$260. For the occupations proposed in LB1127, the licensure initial and renewal fees currently range from \$120 to \$300. This does not include the cost of continuing education to maintain those licenses. When business inputs are taxed, the prices for goods and services are passed along to the consumer. According to a November 2015 report by the Heritage Foundation, occupational licensure costs the average American household \$1,033 per year, making it one of the most promising areas for reducing prices. For those with private insurance, that means higher premiums, higher deductibles, and higher copays. For the state of Nebraska, that means increased Medicaid costs. A November 2017 article written by the University of Chicago Booth School of Business cited that the role of licensing in driving up healthcare costs has been almost completely ignored. I understand that this is not a hearing about healthcare reform, but the article charged those interested in reforming healthcare regardless of political philosophy to focus on the supply side, to focus on factors that are driving up prices by artificially restricting the number of healthcare professionals, that medical licensing is...and medical licensing is an excellent place to start. In addition to this article, an article published by The Economist last week also noted that occupational licensing is driving up healthcare costs. The Platte Institute acknowledges that patient safety is important. The American Medical Association notes that as professionals dedicated to promoting the well-being of patients, physicians individually and collectively share the obligation to ensure that the care patients receive is safe, effective, patient-centered, timely, efficient, and equitable. As a former healthcare professional, I know a similar code of ethics is inherent across the spectrum of healthcare professions. I worked in healthcare for 19 years, and 17 of those years I worked at Nebraska Medicine, particularly in ICU and cancer patient settings. And I know that the nurses and the other healthcare professionals taking care of those patients were great patient advocates and I can't imagine that they would, you know, intentionally do something to harm a patient. And I have much respect for the nurses I worked with there over the years. The Patient Safety Cash Fund proposed in LB1127 is an added financial burden for those who want to work in the aforementioned healthcare professions. Patient safety organizations should not be funded on the backs of healthcare professionals who already incur significant costs for education, training, and licensing. These added fees, which are actually taxes, will ultimately be passed on to patients in increase healthcare costs. For this reason, the Platte Institute opposes the Nebraska Medical Association's LB1127, just like we would oppose any other bill that would be a tax increase for hardworking Nebraskans. Thank you for your time and I'm happy to take any questions. [LB1127]

SENATOR RIEPE: Okay. Thank you very much. Let's see what we have here. Any questions from the committee? Can you tell me approximately what are the professional fees, say, let's just pick on two, a physician and an attorney? How do those compare? I don't know. [LB1127]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

NICOLE FOX: The professional fees? Well, when I looked it up it...on the Web site for Nebraska at least it was \$300. [LB1127]

SENATOR RIEPE: For the physician? [LB1127]

NICOLE FOX: For...are you talking about licensure renewals? It said \$300... [LB1127]

SENATOR RIEPE: I am. Just the license renewal? [LB1127]

NICOLE FOX: ...so...but I don't, you know, I don't know what... [LB1127]

SENATOR RIEPE: That's fine. [LB1127]

NICOLE FOX: ...their continuing education costs are. And, of course, we know medical school is not cheap. [LB1127]

SENATOR RIEPE: You didn't have anything on the attorneys? I'd just to compare it to doctors. [LB1127]

NICOLE FOX: I didn't look up attorneys because they're not healthcare. [LB1127]

SENATOR RIEPE: Okay. Okay. [LB1127]

SENATOR WILLIAMS: We write the law so it's lower. [LB1127]

NICOLE FOX: Yeah. (Laughter) [LB1127]

SENATOR HOWARD: It is not. [LB1127]

SENATOR RIEPE: And lawyers and bankers are really low. That money doesn't go out of the bank. [LB1127]

SENATOR WILLIAMS: Just in case you wanted to know. [LB1127]

SENATOR RIEPE: Okay. Thank you very much for the lightheartedness as well. Thank you very much for being here. [LB1127]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

NICOLE FOX: All right. [LB1127]

SENATOR RIEPE: I see no other questions. We appreciate it. Additional opponents? Seeing none, is there anyone testifying in a neutral capacity? Seeing none, Tyler, do we have any letters before we ask for the closing? [LB1127]

TYLER MAHOOD: (Exhibits 10, 11, 12, 13, 14, 15, and 16) Yes. I have letters signed by Wendy Ward of Great Plains Health in support, Barbara Petersen of Great Plains Health in support, Kathy Corbett of the Memorial Health Care Systems in support, Krista Trimble of Pender Community Hospital in support, a letter signed by the Nebraska Board of Advanced Practice Registered Nurses in opposition, a letter signed by Heath Boddy of the Nebraska Health Care Association in opposition, and a letter signed by Joni Cover of the Nebraska Pharmacists Association in neutral. [LB1127]

SENATOR RIEPE: Okay. Thank you, Tyler, very much. I think now, Senator Kolterman, welcome home. [LB1127]

SENATOR KOLTERMAN: So I was going to waive closing. I just...some of the things that were said kind of got my ire up a little bit. In answer to your question, Senator Riepe, if you look at the fiscal note, on the second page of the fiscal note it talks about credential counts and how many people are involved in that. I believe if you're looking at the cost of licensing: physician is \$300 initial and \$121 for the biennial renewal; RNs and LPNs are \$123 for initial licensure and \$123 for biennial; APRNs are \$68 in addition to the RN fee, an additional \$68 for biennial renewal; physical therapists are \$133 and \$133; occupational therapists are \$120 and \$120; and pharmacists are \$178 and \$178. I took this bill on. The Medical Association came to me and they said, we want to continue to support the idea of patient safety. Patient safety is of the utmost concern of all of us. It should be our number one concern. When you go to a hospital or a clinic, the last thing you should have to worry about is am I going to come out sicker than when I went in. I would hope that we'd all keep that number one. There's 55,000 licensed healthcare providers in Nebraska, so we'd be generating roughly \$550,000. Registered nurses and licensed practical nurses comprise almost 36,000 of those or about 65 percent of the licensed healthcare providers. When this organization was formed back in 2005, I believe, all the members that we've talked about were at the table, and as of now the only ones that have participated in funding this, to my knowledge, is the hospitals and the physicians. And yet, they all have a place at the table. I've always been a believer that if you're going to participate, it ought to be done on an equal basis. Why should we expect the physicians to carry everybody else? I didn't want that in my industry when I was in the industry. I just find it ironic that I've been in this committee for four years now and every year we have a scope of practice bill comes in here and people tell us how great they are and how they're willing to...they want to take on more responsibility and they want to

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

practice up against the top of their license. And yet, when it comes time to pay for patient safety then we have people that say, well, let's let somebody else pay for it. I find that hard to believe. So with that, I would hope that we could advance this bill. I want you to think a little bit about what \$10 a year amounts to, put it into perspective. Is it a tax? It's a self-imposed tax. They brought the bill to me. Some don't want it? Well, I understand that. We have the Pharmacy Association. Half their board wanted it, half of them didn't, so they came in neutral. You might find that interesting, Senator. You heard directly from the association for physician assistants. They don't all support it 100 percent but they're on record saying let's get this done because patient safety is our number one concern here. So with that, I would hope that we could advance this bill to the floor, have a bigger discussion about it. We don't have any money. People, they can't come to us and ask us for money. We don't have any money. When they come to us and say, we want to self-impose a fee on our own licenses, I think that's admirable. We ought to look up to those people and give them what they want. If they don't want to cover safety, who's going to do it? Simple as that. So with that, I'd say thank you and I'd take any questions you might have. [LB1127]

SENATOR RIEPE: Okay. Thank you. Are there questions? Seeing none, good job. [LB1127]

SENATOR KOLTERMAN: Thank you. [LB1127]

SENATOR RIEPE: Thank you, Sir. That concludes the hearing on LB1127 and we will take about a ten-minute break here. We've been at it since 1:30. And then we'll come back for LB1093, Senator Walz. Thank you. [LB1127]

BREAK

SENATOR RIEPE: (Recorder malfunction)...Senator Walz to please come forward to present to us LB1093. Welcome to the Health and Human Services Committee. [LB1093]

SENATOR WALZ: Thank you. [LB1093]

SENATOR RIEPE: If you'd just introduce yourself and go ahead. [LB1093]

SENATOR WALZ: Sure. Thank you. Good afternoon, Chairman Riepe and my colleagues on the Health and Human Services Committee. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I proudly represent District 15. I come to you today to introduce LB1093. This bill would create the Office of Inspector General of Public Health within the Office of Public Counsel for the purposes of conducting investigations, audits, inspections, and other reviews of state-owned and

Health and Human Services Committee
February 21, 2018

state-licensed facilities. This position would be appointed by Public Counsel, with approval from the Chairman of the Executive Board and the Chairperson of Health and Human Services. We took this language from existing statute from the Office of Inspector General of Corrections, so it is not the first time this language has been introduced. I also believe Julie Rogers, Inspector General of Child Welfare, will be testifying after me and has suggestions on how to make this bill stronger and more legally sound to address items both the Inspector General and the public need for protection with dealing with sensitive healthcare information. Currently, disciplinary action against violations of standards of care include small fines that do not match the severity of mistreatment being committed. Too often there is no action taken at all. Residents in care facilities are stuck in situations they should never have to deal with in the first place. Nebraska is in need of vital change and it will not happen unless further steps are taken beyond DHHS consequences. I have also introduced LR296, which would establish the State-Licensed Care Facilities Investigative Committee of the Legislature. The committee would investigate the systematic failures of the Nebraska Department of Health and Human Services in ensuring that these facilities are meeting basic standards of care. It would be composed of seven members of the Legislature appointed by the Executive Board and have access to legal counsel, consultants, and outside investigators in order to ensure the community...the committee has the resources it needs. In Nebraska, people with severe and persistent mental illness are isolated, segregated, and congregate in assisted-living and mental health facilities across the state. The conditions they are living in are substandard and fail to meet even the basic needs of the residents. Many facilities are failing to provide the most basic medical and nutritional needs for the residents and are most certainly not able to provide assistance for their mental and emotional needs. Yet, the safeguards Nebraska has in place to penalize or close down these facilities are not protecting the residents. For instance, the Department of Health and Human Services did not take action when it discovered numerous violations in a report of Life Quest facility in Palmer in June and July of 2017. The report described workers purposely isolating residents in an incident where staff locked themselves in a room when a violent individual pulled out a pocketknife, leaving residents to fend for themselves; residents cooking and cleaning for the facility because there was no housekeeping staff; residents being told their cell phones would be confiscated because they were calling law enforcement; a registered sex offender being allowed to prey on female residents; and individuals being given one meal choice, despite nutritional needs and doctors' orders. Despite the shocking neglect witnessed by DHHS inspectors during their four-day on-site inspection in June and a five-day on-site inspection in July, the final report of this investigation, dated July 21, 2017, sat on a desk. No action was taken. While the residents of Life Quest at Palmer continued to reside in unsafe conditions, a United States veteran died of an apparent fall after suffering uncontrollable vomiting and diarrhea for at least three days without treatment or pleas from the veteran and other residents she needed to be taken to the emergency room. It is my firm belief that her death could have been prevented if sufficient action had been taken. Across Nebraska, state-licensed care facilities are practicing gross indirect and direct mistreatment of those in their care. The people, and I stress people as it is often forgotten, are

Health and Human Services Committee
February 21, 2018

having their voices taken away. I have been told of instances where residents were refused a transfer, disregarded when expressing health concerns, had all contact to the outside world cut off, and generally ignored in all respects. How do we expect so many to fight for themselves when they have no voice? It is our responsibility as public servants to ensure that they are being treated with the dignity and care they deserve morally and under the law. Currently, a sense of urgency is lacking. Residents are being mistreated across the state as we speak. Any action that has been taken to stop this is nowhere near enough to match the injustice practiced in some of these facilities. What is a small fine to the continuing physical and mental harm? It is our duty to protect Nebraskans and we are failing in this aspect. I am confident that LB1093 would allow for decisive steps to be taken in combating this issue through a variety of aspects. This Inspector General will be charged with investigating the treatment of residents in state-licensed care facilities. Facilities need to be held accountable for the way they treat their residents, and investing this power in the committee is a way to do so. Under the current system, the license unit of the Department of Health and Human Services can conduct up to 25 percent...up to a 25 percent random sample of facilities annually or at least every five years. This is problematic because this percentage quota is not required to be met and so much about a facility can change in five years. Therefore, by this system facilities that are underperforming can slide by inspection for years on end. I'm not trying to propose a different standard or imply that facilities should be under ever-constant supervision, but I know the current system is failing and must be taken under review. The Inspector General of Public Health would accomplish this. No longer would facilities have the protection of rare or retroactive review. At any point the Inspector General could conduct assessments of the care of individuals residing in problem locations to ascertain whether or not their rights are being violated. This would ensure that all residents living in these facilities are not being disregarded. The committee will provide a critical and long, long overdue method of identifying problems within Nebraska care facilities and create a foundation on which change can be created. Secondly, through the Inspector General's investigations, the extent to which steps taken by DHHS to effectively oversee these facilities would be identified. Because the steps taken are so important to protecting vulnerable individuals, they must be executed as consistently as possible. Through this revision, recommendations could be formulated to improve DHHS oversight. As shown with the Palmer case, this is an integral step toward preventing further atrocities. Programmatic...oh, problematic facilities continue to commit violations, even after the DHHS penalty. There are numerous facilities around Nebraska that have been identified as consistently failing to perform. I have a list of these facilities upon request. Every single individual living in these facilities deserve actual change in the care they have been denied of. In the end, the primary goal that will come out of the Office of Inspector General is to recommend and pass legislation to overhaul the widespread pattern of neglect in state-licensed care facilities. It is important that the department is working directly with care facilities to assure that all staff are adequately trained and have the ability to support the individuals that they are working with. My goal is not to close down facilities, but I do want to make sure that all citizens are getting the proper care and need they deserve. I think this is an

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

important step in the right direction toward that goal. I encourage you to advance LB1093 to General File for full debate for the sake of residents across Nebraska. I am happy to try and answer any questions you may have. Thank you. [LB1093]

SENATOR RIEPE: Thank you very much. Before you leave the mic, would you address the fiscal note and also a priority status? [LB1093]

SENATOR WALZ: The fiscal note is \$100,300...\$100,305. [LB1093]

SENATOR RIEPE: Okay. [LB1093]

SENATOR WALZ: And what? [LB1093]

SENATOR RIEPE: And the second one was is this a priority designation or is it without priority? [LB1093]

SENATOR WALZ: Not a priority. [LB1093]

SENATOR RIEPE: Okay. Well,... [LB1093]

SENATOR WALZ: Well, it is a priority. [LB1093]

SENATOR RIEPE: Well, it is a priority but not... [LB1093]

SENATOR WALZ: Definitely a priority. [LB1093]

SENATOR RIEPE: ...an official designation. [LB1093]

SENATOR WALZ: No. [LB1093]

SENATOR RIEPE: Okay. Okay. Thank you. Senator Erdman. [LB1093]

SENATOR ERDMAN: Thank you, Senator Riepe. Thank you, Senator Walz, for coming. I've seen the fiscal note. As it said there, this is assuming that there will be no other people hired. But if you go to line 28 on page 2 it says, "The Inspector General of Nebraska Public Health shall employ such investigators and support staff as he or she deems necessary to carry out the duties

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

of the office within the amount available by appropriation through the Office of Public Counsel." Who is the Office of Public Counsel? [LB1093]

SENATOR WALZ: I'm going to have somebody else answer that question for you because they'll have a much better answer. [LB1093]

SENATOR ERDMAN: So the point is, if they're assuming in the fiscal note there's one person and this statute gives them authority to hire others, the fiscal note could be far higher then, greater than \$100,000? [LB1093]

SENATOR WALZ: Possibly, yes. [LB1093]

SENATOR ERDMAN: Yeah. Okay. So once they get this information, who do they report it to? [LB1093]

SENATOR WALZ: The Legislature. [LB1093]

SENATOR ERDMAN: Okay. To the HHS Committee? [LB1093]

SENATOR WALZ: The Legislature. [LB1093]

SENATOR ERDMAN: Okay. All right. Thank you. [LB1093]

SENATOR WALZ: Yes. [LB1093]

SENATOR CRAWFORD: Oh. [LB1093]

SENATOR RIEPE: Senator Crawford. [LB1093]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you, Senator Walz, for being here today. Just to give the committee a vision, so we have these facilities and we have the...DHHS has gone and done inspections and written up violations and fined them. So one of the issues you said is that the inspections aren't often enough and so someone else on our behalf who goes occasionally to spot-check might help. But is there another role that this person plays to help us move beyond, okay, here's the little things they're...that each facility is doing wrong, in terms of helping us think about how to address that in a more systematic or proactive way? Does that question make sense? [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR WALZ: Uh-uh. [LB1093]

SENATOR CRAWFORD: Okay. Just trying to see so how does the Inspector General help us to push beyond what DHHS has done in terms of here's 81 violations? So how does the Inspector General help us to take that next step in terms of helping to push the department and move to change? [LB1093]

SENATOR WALZ: Well, I would imagine that through recommendations that they have and working with DHHS for, you know, in the future. I think an important part of this, too, is within those recommendations that we're constantly providing some training to the staff that are working with the individuals in the care facilities. So I would think that that would be a big piece to this as well, providing some hands-on training and...does that...? [LB1093]

SENATOR CRAWFORD: Yeah. Good. Yeah, I think that that's fair. And one of the things that we have seen in this committee, because we have already one Inspector General and we have a couple of other entities that provide reports, one of the things that I found helpful as a committee member is that our Inspector General has, you know, suggestions for improvement, and then she also comes back and here's the ones that have been addressed and here's the ones that are still needing to be addressed. So while all these groups give us reports and so we've got, you know, lots of reports, she has helped us in the sense of, okay, here, here are the things--and she keeps track of this--here are the recommendations that have been addressed and here's how they addressed them, and here are the ones that haven't been addressed yet, here are the ones that they rejected. And that kind of helps us in our oversight role, okay, good, these are the things that are being done and one that hasn't been addressed, well, maybe that's something we need to bring a bill on. So that's been helpful... [LB1093]

SENATOR WALZ: Okay. [LB1093]

SENATOR CRAWFORD: ...to me. And seeing the Inspector General of Child Welfare, that's been an important role I think as a committee member, just so you see that. [LB1093]

SENATOR WALZ: Thank you. [LB1093]

SENATOR CRAWFORD: Thank you. [LB1093]

SENATOR WALZ: And I misunderstood that then, the question, so thank you. [LB1093]

SENATOR CRAWFORD: Okay. You're welcome. Thanks. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Okay. Are there other questions? Thank you very much. Thanks for opening on this bill. Proponents, please. How many more do we have that are planning on testifying? One, two, three, okay. Okay. Thank you. Looks like we may be getting your dissertation. If you'd be kind enough to state your name, spell it, and share your organization and then proceed forward. We see we have a big handout coming, so. [LB1093]

DIANNE DeLAIR: (Exhibits 1 and 2) Thank you, Senator Riepe and members of the Health and Human Services Committee. My name is Dianne DeLair, D-i-a-n-n-e D-e-L-a-i-r. I am a senior staff attorney with Disability Rights Nebraska. That's our state's protection and advocacy organization. Our sole mission is to advocate on behalf of and for people with disabilities. A great bulk of the work that we do at Disability Rights Nebraska is to investigate and monitor facilities and services all across the state where people with disabilities live, work, or receive services. As part of this monitoring activity, we've become intimately familiar with numerous privately owned assisted-living facilities and mental health centers across the state where the residents' primary disability is severe and persistent mental illness. Now these facilities are often hidden from public in rural areas, rural communities, but also in larger cities in our state. The public is largely unaware of the conditions that persist for residents who are forced from one location to the next through no fault of their own, oftentimes due to a lack of services provided to them to address their mental health needs and basic living needs. So these facilities, they're all over our state, but what links them together is not the services they provide; rather, it is the deplorable conditions, the neglect and abuse that takes place, and the congregation and isolation, the likes of which most of us really cannot imagine. As one former resident of Hotel Pawnee Assisted Living Facility told us: I felt like a rat trapped in a cage; it's degrading to your spirit to live here. Senator Walz mentioned the death at Palmer and the investigation that occurred over the summer. I think this is a good example of the failures that are occurring in the system. Palmer did eventually close down. Its license was eventually revoked. But the question is, why was there not action when on-site surveyors saw what was going on when they were actually at the facility and documenting it in their own report? I'd like to make part of the official record the packet I just passed out. In there you will find the 80-page inspection report dated July 21, the next report completed in September after the veteran's death, and then the notice of revocation. I think it's important to take a look at that at some point because you cannot really understand the scope of this issue until you read through that. And I would encourage you to visit any of the facilities that are listed in the letter that's also contained in your packet. The tragedy here is that some residents from Palmer were transferred to Blue Hill, the Life Quest facility at Blue Hill. Well, on the heels of the license revocation in Palmer, DHHS issued a 47-page report of systemic failures at Blue Hill, \$10,000 fine. And on the first page of that report that said you are being fined \$10,000 for systems failures that date back to 2012, that is six years and that is unacceptable. So they may be out issuing notices and violations but inaction is occurring. Changes need to be made and there has to be oversight. And I think the Inspector General for Child Welfare can describe in greater detail how that office could address some of these issues. The Blue Hill facility, it's closing its

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

doors next week because they can't meet the changes that are necessary. They can't...they're not financially viable to make all the changes that they need to be relicensed. So what does that tell me? They haven't been providing adequate care for people for years. But if you look at the history, and I have that at my office--the five years of reports, be glad to provide that to you--you can see the revolving door. [LB1093]

SENATOR RIEPE: Okay. It seems our time is completed. [LB1093]

DIANNE DeLAIR: Thank you, Senator. [LB1093]

SENATOR RIEPE: Okay. Thank you very much. Let's see if we have some questions. Are there questions of the committee members? Seeing none, thank you very much for your testimony. Thanks for being here today. Additional proponents, please. If you would, Sir, give them your orange slip and whatever you have as handouts. State your name and spell it and who you represent, and please proceed. [LB1093]

EDISON McDONALD: (Exhibit 3) Okay. Thank you very much, Chairman. Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d, and I'm the executive director for The Arc of Nebraska. We are a nonprofit with 1,500 members covering the state who are advocates for ensuring the most integrated lives for people with intellectual and developmental disabilities possible. We focus on community inclusion because it ensures that we focus on cost-effective methods, we focus on the best treatment, and we focus on what brings the most back to us as a society. We strongly support LB1093 to create the Office of Inspector General of Nebraska Public Health. The investigation and accountability found in our state-licensed healthcare facilities is severely lacking. We must take a renewed perspective from a voice outside of our typical review process. It is time for us to step up to the plate and truly care about those who are in deep need. The incidents at Coolidge Center, Hotel Pawnee, and Park View Villa display a poor track record that indicates that we need something more significant than an individual investigation. Unfortunately, this pattern is not limited to these examples. We regularly have seen these questions about the processes surrounding the monitoring of these facilities. It is time for us to step up and take action. By failing to take action on either LB1093 or LR296 in the face of this clear mismanagement, we will be complicit in any injuries faced next. The costs associated with this type of position are limited in compared to the overwhelming costs associated with potential litigation. If we do not act soon, we will have another situation similar to the prisons on our hands. This is not a responsible use of tax dollars. The tax...the tack of providing for an officer of Inspector General of Public Health will provide us a far more beneficial direction. The use of an Inspector General has helped us to dig into issues in other departments, and we believe truly could help this department. Our hope is that this will ensure we better investigate the true implications and intricacies surrounding these tremendous issues. I did want to bring up, in terms

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

of Senator Erdman's concern over cost, you know, even if we're talking an extra \$100,000, let's say, you know, we go ahead and double that cost, in comparison to the potential litigation that other states have seen, those costs have come out around \$1.7 million. So I think that that's a pretty small cost in comparison to ensure that, number one, we're prioritizing the safety of these people and then, number two, that we're going and doing the right thing and protecting the state's dollars. Thank you. [LB1093]

SENATOR RIEPE: Okay. Are there questions from the committee members? Seeing none, thank you for being here today. Additional proponents, please. Do we have any more in support? Okay. Let's go to any opponents, if you will, anyone speaking in opposition. Welcome, Dr. Williams. And if you would introduce yourself for the record. We know who you are but if you'll spell your name. [LB1093]

TOM WILLIAMS: (Exhibit 4) Happy to do that. Good afternoon, Senator Riepe and members of the Health and Human Services Committee. My name is Thomas Williams, T-h-o-m-a-s W-i-l-l-i-a-m-s, and I'm the Chief Medical Officer and director of the Division of Public Health for the Department of Health and Human Services, DHHS, and I'm here to testify in opposition to LB1093. The Division of Public Health is the state survey agency for Nebraska that works under agreement with the Centers for Medicare and Medicaid Services to assure basic levels of quality and safety for all patients, residents, and clients receiving care from Medicare and Medicaid certified institutional providers. CMS trains and qualifies federal and state personnel to conduct Medicare and Medicaid surveys and provider certification. Survey and certification is the system that provides on-site, objective, and outcome-based verification by knowledgeable and trained individuals to assure that basic standards of quality are being met by healthcare providers or, if not met, that appropriate remedies are promptly applied and implemented effectively. It is unclear from the bill what kind of duties the investigators in a proposed office would perform, whether it would be review and assessment of care provided from a healthcare point of view, financial audits, or both. The CMS survey and certification system covers the majority of healthcare facilities and services that are licensed in Nebraska. Surveys conducted of these facilities and services accomplish both state licensure and federal certification for participation in Medicare and Medicaid, which is more cost-effective than if the state and federal work was done separately. Given the extensive system that currently exists for quality assurance in healthcare facilities and services, it is unnecessary to create an additional system to oversee all healthcare facilities that would essentially duplicate the services provided through CMS. In addition, it may be problematic for the Office of Inspector General of Nebraska Public Health to access records obtained through a federal survey or investigation, as these records are the property of CMS and are not in all cases considered public documents. Thank you for the opportunity to testify today. I'm happy to answer any questions you might have. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Thank you, Doctor. Are there questions from the committee? Senator Crawford. [LB1093]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you for being here, Dr. Williams. I appreciate... [LB1093]

TOM WILLIAMS: You're welcome. [LB1093]

SENATOR CRAWFORD: ...you being here to answer questions and your work to try to make sure that we are creating these systems to keep people safe. Would you say that currently we have...we are able to assure that basic standards of quality are being met by healthcare providers or, if not met, that appropriate remedies are promptly applied and implemented effectively? [LB1093]

TOM WILLIAMS: I would. I would say that... [LB1093]

SENATOR CRAWFORD: You would say that is true. [LB1093]

TOM WILLIAMS: ...I would say that the circumstances that have been discussed in not only this hearing but the previous one that were alluded to are unusual. And anecdotally from people that I've worked with at the Palmer situation, that they have never encountered anything quite like that. That's an anecdotal comment, Senator. [LB1093]

SENATOR CRAWFORD: Anecdotal comment. So just...so the Palmer center I believe...I believe we're talking here about mental health facility license. [LB1093]

TOM WILLIAMS: Correct. [LB1093]

SENATOR CRAWFORD: This is the kind of facility we're talking about. [LB1093]

TOM WILLIAMS: Correct. [LB1093]

SENATOR CRAWFORD: Is that correct? [LB1093]

TOM WILLIAMS: And I would, may I, just quickly interject that this bill actually addresses state-owned and state-licensed facilities, which I interpret to be all... [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: ...of which there are a large number,... [LB1093]

SENATOR CRAWFORD: Right. [LB1093]

TOM WILLIAMS: ...all the way through acute care hospitals, critical access hospitals, and so forth. [LB1093]

SENATOR CRAWFORD: Right. Right. That's good. Yeah, that's interesting. So, yes, when we were in Exec, it was investigation of those maybe more narrowly. [LB1093]

TOM WILLIAMS: Right. [LB1093]

SENATOR CRAWFORD: And you're interpreting the bill may be broader than those more narrow... [LB1093]

TOM WILLIAMS: Yes. [LB1093]

SENATOR CRAWFORD: Right. Okay. And I think somebody is going...I'll just ask for the record the...of the facilities that we've discussed today, we're talking about those for severe and persistent mental illness. So of that population, do you have a sense of what percent of that population resides in these mental health facility...these facilities that have a mental health facility license? Does that make sense? [LB1093]

TOM WILLIAMS: I actually don't. [LB1093]

SENATOR CRAWFORD: You don't. Okay. [LB1093]

TOM WILLIAMS: I'm sorry. [LB1093]

SENATOR CRAWFORD: So it would be helpful if we had that figure, just to... [LB1093]

TOM WILLIAMS: But I'd be happy to get that for you. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: And when we're talking about the litigation challenge, it's my understanding that one of the key litigation challenges would be from the Olmstead litigation challenge that we would...that as a state we are segregating and not integrating people with severe and persistent mental illness. [LB1093]

TOM WILLIAMS: Yeah. And Olmstead does not operate within Public Health. I'm not...it's on the Behavioral Health, DD side. [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: So I'm actually not very well-versed in Olmstead. [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: But again, if there's information that I could get you, we'd be happy to do that. [LB1093]

SENATOR CRAWFORD: Okay. So is your role primarily a licensing role? [LB1093]

TOM WILLIAMS: Yes. [LB1093]

SENATOR CRAWFORD: Is that...? Okay. [LB1093]

TOM WILLIAMS: Yes. [LB1093]

SENATOR CRAWFORD: So that's your role with these facilities is license. [LB1093]

TOM WILLIAMS: Yes. [LB1093]

SENATOR CRAWFORD: And then the... [LB1093]

TOM WILLIAMS: Yeah, the licensure resides within Public Health as a division. [LB1093]

SENATOR CRAWFORD: Okay. Okay. And what does some...what causes someone to have their license for this kind of a facility revoked? [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: Serious and persistent infractions. [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: I think one of the things that we try to do when...there are different ways that we do inspections, and some have been alluded to today. The 25 percent, five years is one approach. And we do complaint inspections. The former is a, usually, four-and-a-half days intense inspection with entrance evaluations, introductions, a review of appropriate documentation, review of the facility, survey of residents, and so forth, all leading up to an exit interview. It may be extended in some facilities where there is uncertainty about whether or not the records may be tampered with, in which case there may be some extension in that amount of time to permit investigators with our agency to take records away from the facility to ensure that they remain untampered with. But that's normally how a full survey goes. And complaint investigations are usually shorter and they're more targeted. [LB1093]

SENATOR CRAWFORD: Okay. So the CMS survey and certification system that you're describing,... [LB1093]

TOM WILLIAMS: Right. [LB1093]

SENATOR CRAWFORD: ...is that...that's like they're telling us as a state the kinds of questions we have to ask... [LB1093]

TOM WILLIAMS: That's correct. [LB1093]

SENATOR CRAWFORD: ...and what we have to do. [LB1093]

TOM WILLIAMS: There is oversight for...and mental health facilities are different. Those are not actually involved with CMS oversight. [LB1093]

SENATOR CRAWFORD: Okay. So this license we're talking about with just these facilities, the mental health facility license, they are not...they do not have CMS oversight. [LB1093]

TOM WILLIAMS: They do not. They're state-licensed, as I understand. [LB1093]

SENATOR CRAWFORD: They're state-licensed, okay. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: Other facilities that we license all do. But the surveyors that survey those facilities use the same processes and approaches that they have been trained to do by CMS. [LB1093]

SENATOR CRAWFORD: But we would not have any problem with overlap or a problem with getting information through CMS because...with these specific licenses because they are not...they are not in the CMS system. [LB1093]

TOM WILLIAMS: In other words, your question is, is the Inspector General more easily able to gather information because of that fact? Is that your question? [LB1093]

SENATOR CRAWFORD: For these facilities, yeah, that's... [LB1093]

TOM WILLIAMS: I don't know the answer to that, Senator. [LB1093]

SENATOR CRAWFORD: Okay. All right. Thank you. [LB1093]

SENATOR RIEPE: Okay. Added questions? Senator Howard. [LB1093]

SENATOR HOWARD: Thank you, Senator Riepe. Thank you for visiting with us today, Dr. Williams. [LB1093]

TOM WILLIAMS: You're welcome. [LB1093]

SENATOR HOWARD: It's always nice to see you. How many of these mental health facilities do we have right now? [LB1093]

TOM WILLIAMS: I don't know the exact number. [LB1093]

SENATOR HOWARD: How many inspectors do you have? [LB1093]

TOM WILLIAMS: We have 50 inspectors at the moment and these inspectors cover a variety of facilities. These are under long-term care, which has 31; acute care has 7; outpatient in-home services has 4; behavioral health facilities has 6; and 2 surveyors who do primarily compliant triage. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR HOWARD: Complaint triage. [LB1093]

TOM WILLIAMS: That means as complaints come in, they assess whether the complaint is at various levels of risk that require either delayed inspection or immediate intervention. [LB1093]

SENATOR HOWARD: Okay. So...and that's all of your inspectors that you have? [LB1093]

TOM WILLIAMS: It is at the moment, yes. [LB1093]

SENATOR HOWARD: So you don't have any who are doing like salons or anything like that? [LB1093]

TOM WILLIAMS: We...they would be included, I believe, in this number. [LB1093]

SENATOR HOWARD: Okay. So I'm not familiar with what happened in Palmer. Can you tell me a little bit about that? [LB1093]

TOM WILLIAMS: I can give you a brief overview. [LB1093]

SENATOR HOWARD: Sure. [LB1093]

TOM WILLIAMS: I was under the impression that this committee was briefed, is that not correct, on Palmer? [LB1093]

SENATOR RIEPE: I don't know that we had a specific briefing... [LB1093]

SENATOR HOWARD: Did I miss it? [LB1093]

SENATOR RIEPE: ...on Palmer, per se. [LB1093]

TOM WILLIAMS: Okay. [LB1093]

SENATOR RIEPE: We were keenly aware of it, as... [LB1093]

TOM WILLIAMS: Okay. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: ...was everyone. [LB1093]

TOM WILLIAMS: There has been a history of complaints and investigations there, punctuated by, as you have heard, two deaths that occurred. In the...I think it is mistaken to assume that no action was taken and no visits were made. I think all those things were happening in an ongoing process and those things actually did result in us developing some differences in approach that we intend to utilize going into the future. Some of those things deal with how we would interact with law enforcement who do the initial investigations of some of these things, and some of them would also have to do with how and when we issue reports when an investigation becomes one that is extended because of ongoing findings or issues. I'm not sure how much I can actually say about it because a lot...all of the record is not public and I think it would be better for me to...or us to brief you privately in a different setting. [LB1093]

SENATOR HOWARD: Of the public portions, what can you tell me about Palmer? [LB1093]

TOM WILLIAMS: You know, honestly, I am...honest, I'm not an attorney. I'm sorry. I don't fully know what aspects are public but I would be... [LB1093]

SENATOR HOWARD: Well, besides what's in the report, do you want to just tell us about the report? [LB1093]

TOM WILLIAMS: There has been an internal document that's quite substantial that we have used to do our own internal assessments of things that we think we could have done better, and I would be very happy to share those with you in private. I'm just...I'm honestly uncertain legally if I can do that here and how much I can elaborate on it. [LB1093]

SENATOR HOWARD: Sure. [LB1093]

TOM WILLIAMS: But I'd be very happy to meet with your private. I'd be happy to meet with you in private tomorrow if you want to. [LB1093]

SENATOR HOWARD: Great. Great. So... [LB1093]

TOM WILLIAMS: I or people with me who probably have a better... [LB1093]

SENATOR HOWARD: Understanding. [LB1093]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: ...and more in-depth understanding of the survey process and exactly what happened there. [LB1093]

SENATOR HOWARD: Great. So one of the reasons why we created the Office of the Inspector General for Child Welfare was because there had been a series of problems, really urgent problems around safe haven... [LB1093]

TOM WILLIAMS: Uh-huh. [LB1093]

SENATOR HOWARD: ...and people abandoning their children. We had had several child deaths. Do you feel as though the situations in some of these facilities are urgent enough to call for that type of oversight? [LB1093]

TOM WILLIAMS: Well, I...there was very compelling testimony in the previous hearing about very frightening findings. And I can tell you that if our inspectors encountered what was described by previous testifiers, there would have been some pretty serious action taken. So one question I would have is how that happened, whether there was no complaint filed. Sometimes facilities, particularly if they are operating on the margin and maybe not exactly having the level of integrity you would like, will clean things up, if something happens, before inspectors get there, which may take a few days. And those are things that we are aware of. But those were dramatic, shocking, terrible findings that I heard from when I sat through the previous hearing. And I am not familiar with those facilities. I don't know the particulars. But I can tell you that our inspectors would not walk out of there without doing something substantial. [LB1093]

SENATOR HOWARD: And then this is my last question, I promise. [LB1093]

TOM WILLIAMS: It's okay. [LB1093]

SENATOR HOWARD: Do you view it as your role to help the Legislature understand systemic issues in regards to public health as a whole in the state of Nebraska? [LB1093]

TOM WILLIAMS: I think we need to be transparent in public health. Public health is a resource for all Nebraskans and the health of Nebraskans matter. There are certain things that we do in licensure that are private and things that are not. But there has been great testimony in the previous bill about systems approaches to patient safety,... [LB1093]

SENATOR HOWARD: Uh-huh. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: ...which I'm very much an advocate of and have been involved in. And just for the record, I've actually had the privilege to work in, I just made a note of it, something like seven greater Nebraska critical access hospitals. In my role as a pathologist in Omaha, I visited them regularly, all the way from northeast Nebraska to southwest Nebraska. And those were state-licensed and state-run facilities, often with long-term care facilities attached. And they were beautiful. The people were competent. Everything about the facility was excellent. And I can tell you, having been there more than once when state inspectors were on-site, they were very respectful of inspectors and it went both ways. So in my experience, which doesn't include, obviously, what we heard... [LB1093]

SENATOR CRAWFORD: Uh-huh. [LB1093]

TOM WILLIAMS: ...a few hours ago, the inspection system is working well. But obviously what was shared was pretty compelling testimony. [LB1093]

SENATOR HOWARD: I think more my question is how do we, as a Legislature, understand the systemic issues that are going on in some facilities in this state if we're not sure if that's your role? [LB1093]

TOM WILLIAMS: I think it is our role to know. [LB1093]

SENATOR HOWARD: But is it your role to tell us? [LB1093]

TOM WILLIAMS: I...within the limits of what is not considered privileged, I think that we should be transparent about those things. [LB1093]

SENATOR HOWARD: So... [LB1093]

TOM WILLIAMS: And I...not knowing more than I have heard thus far about what was shared and what those facilities are and how they were licensed and what they did, it's difficult for me to respond. But I think part of what we do is to have systemic knowledge of what goes on in our state for everything. Public Health is data driven. [LB1093]

SENATOR HOWARD: Uh-huh. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: And so it's not just based on epidemiology but we should know about the quality of care. I mean we care about obesity. We care about all kinds of things that matter to people of Nebraska, and that would be one of them. [LB1093]

SENATOR HOWARD: Thank you, Dr. Williams. [LB1093]

TOM WILLIAMS: Certainly. [LB1093]

SENATOR RIEPE: Okay. Thank you. Senator Crawford. [LB1093]

SENATOR CRAWFORD: Thank you, Chairman Riepe. To follow up on that just a little bit, I know a lot of your emphasis in charge of licensure is to investigate these individual facilities, I mean, and to try to identify what kinds of interventions might be done for that specific facility. And part of what...part of what we need to also be doing as we move forward and comply with Olmstead and improve care is thinking about proactive and systemic solutions. And so, you know, a lot of your time is probably compliance. Right? [LB1093]

TOM WILLIAMS: It is, yeah. [LB1093]

SENATOR CRAWFORD: And so is there a part of your office or people in your office who are doing research or having time to think about proactive interventions, changes to the system? [LB1093]

TOM WILLIAMS: You know, Senator, in our office I think our efforts are more focused on such things as chronic disease... [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: ...prevention, obesity,... [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: ...opioid management, things of that nature. [LB1093]

SENATOR CRAWFORD: Those are the public health issues that... [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: Yeah. [LB1093]

SENATOR CRAWFORD: ...have more time, yeah. [LB1093]

TOM WILLIAMS: Developmental Disabilities and Behavioral Health and Medicaid are more in the arena of healthcare delivery like that. [LB1093]

SENATOR CRAWFORD: Okay. [LB1093]

TOM WILLIAMS: One of the things that we're trying to do under Director Phillips is have more cross-divisional... [LB1093]

SENATOR CRAWFORD: Yes. [LB1093]

TOM WILLIAMS: ...collaboration, and we've had meetings on that, including meetings relatively recently, which we all need to do. Other...silos don't work. We know that. [LB1093]

SENATOR CRAWFORD: Exactly. That...it sounds like it's falling... [LB1093]

TOM WILLIAMS: So... [LB1093]

SENATOR CRAWFORD: ...some of this falls in that silo. You're licensing but the other division is... [LB1093]

TOM WILLIAMS: Right. [LB1093]

SENATOR CRAWFORD: ...in charge of thinking about those issues more (inaudible). [LB1093]

TOM WILLIAMS: Correct. And on a personal note, I would also add that I have an adult son who is adopted and an ethnic minority and autistic. [LB1093]

SENATOR CRAWFORD: Uh-huh. [LB1093]

TOM WILLIAMS: And we've been fortunate to have the resources to have him live successfully independently, and it's not been easy. So I think that, you know, I and others in our division are

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

sensitive. We want things to work well for people that are developmentally disabled and have mental health issues because we've been there. [LB1093]

SENATOR CRAWFORD: I have one last question. I really appreciate that you were there at the hearing before Executive Committee and I really appreciate that you stayed and you got to hear those personal stories. I appreciate you doing that. And I appreciate you telling us that you find those shocking and unacceptable. So I wonder what do you intend to do now that you've heard those stories. What will you do differently from today or 4:00 today on differently because you've heard those stories? [LB1093]

SENATOR HOWARD: Right. [LB1093]

TOM WILLIAMS: Well, I would like to know more about when they happened and particularly from the fireman... [LB1093]

SENATOR CRAWFORD: Uh-huh. [LB1093]

TOM WILLIAMS: ...and who is a wonderful, caring man. [LB1093]

SENATOR CRAWFORD: Uh-huh. [LB1093]

TOM WILLIAMS: And it's hard to listen to that. And I don't know anything about Prescott,... [LB1093]

SENATOR CRAWFORD: Uh-huh. [LB1093]

TOM WILLIAMS: ...which is what he mentioned, but I would like to. [LB1093]

SENATOR CRAWFORD: Great. Thank you. I appreciate that and I appreciate your follow through. Thank you. [LB1093]

TOM WILLIAMS: You're welcome. [LB1093]

SENATOR RIEPE: Okay. Thank you very much. Are there other committee questions? Hearing none, thank you, Doctor, for testifying and being here today. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

TOM WILLIAMS: Thank you. [LB1093]

SENATOR RIEPE: Thank you. Additional opponents? Seeing none, is there anyone speaking in a neutral capacity? We have one. [LB1093]

JULIE ROGERS: (Exhibit 5) Good afternoon. [LB1093]

SENATOR RIEPE: Ms. Rogers, if you'd introduce yourself and spell it for the record, please. [LB1093]

JULIE ROGERS: Yes. Members of the Health and Human Services Committee, my name is Julie Rogers, J-u-l-i-e R-o-g-e-r-s, and I am the Inspector General of Nebraska Child Welfare. The legislation that my office operates under, the Office of the Inspector General of Nebraska Child Welfare Act, was passed in 2012, creating the state of Nebraska's first Inspector General's Office. Our office is charged with providing legislative oversight, ensuring accountability, and identifying systemic issues in Nebraska's child welfare and juvenile justice systems. Like all inspectors general, we are expected and committed to holding government systems accountable for high performance, integrity, and efficient operations. With my written testimony, I've included the whole of the Office of Inspector General of Nebraska Child Welfare Act. Our office has made recommendations through reports of investigations of child death and serious injury to the Division of Public Health regarding the licensing of day cares and group homes. In 2015 the Office of Inspector General of the Nebraska Correctional System Act was passed. That act parallels our Child Welfare Act with distinctions made for the jurisdictional subject matter of corrections. It has been very helpful that the acts parallel one another. Both of the acts set forth specifics that would be helpful to include in the legislation creating the Inspector General for Public Health. Among other technicalities, specifying the following may help: what the duty is of the Division of Public Health, state-owned facilities, and state-licensed facilities to cooperate with the office; giving the office access to information, including private and confidential information when necessary, whether voluntarily or by subpoena; how and when the Inspector General shall communicate reports of reviews and investigations to the Division of Public Health and the facilities contemplated in the bill; what response, if any, is expected from the Department of Health and Human Services or the licensed facilities after a written report of review or investigation is provided and the time line for such response; when the work of the Office of Inspector General becomes public; whether an annual report to the Legislature is required, what that report shall include, and when the report shall be submitted; and for what purpose, if any, may work product from the office be used in a court of law. And for clarification purposes, the Office of the Public Counsel that appoints myself and the Inspector General of Correctional Services is also commonly known as the Ombudsman's Office. And we operate under the

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

Ombudsman's Office and that's where we're administratively located. So I thank you for your time and attention, and I'm happy to answer any questions. [LB1093]

SENATOR RIEPE: We'll see if there are some. Are there questions? Senator Howard. [LB1093]

SENATOR HOWARD: Thank you, Senator Riepe. Thank you for visiting with us today. I wanted to ask you, and you probably don't know this, but do you know, did the Department of Health and Human Services support the creation of your office? [LB1093]

JULIE ROGERS: I do know that and they did not support that. [LB1093]

SENATOR HOWARD: And then in 2015, did the Corrections Department support the creation of their Inspector General? [LB1093]

JULIE ROGERS: I know...I know that they did not come in as a proponent, but I'm not sure whether they were neutral or opposed. [LB1093]

SENATOR HOWARD: Okay. Thank you. [LB1093]

JULIE ROGERS: Yes. [LB1093]

SENATOR RIEPE: Can you tell us which administration that was under when you were established, the current or of the past? [LB1093]

JULIE ROGERS: My office was established under the Heineman administration. [LB1093]

SENATOR RIEPE: Okay. Okay. Thank you. [LB1093]

JULIE ROGERS: Yep. [LB1093]

SENATOR RIEPE: Are there other questions? [LB1093]

SENATOR ERDMAN: I'm going to give her a pass. [LB1093]

SENATOR HOWARD: For being neutral? (Laughter) [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Okay. Thank you very much... [LB1093]

JULIE ROGERS: Thank you. [LB1093]

SENATOR RIEPE: ...for being here. Are there any other individuals that would like to testify in the neutral capacity? Seeing none, Tyler, do we have any...please give us any letters that we may have. [LB1093]

TYLER MAHOOD: (Exhibits 6 and 7) Okay. I have a letter signed by Kristin Mayleben-Flott of the Nebraska Planning Council on Developmental Disabilities in support, and a letter signed by Carole Forsman on behalf of herself in support. [LB1093]

SENATOR RIEPE: Okay. Senator Walz, we would invite you to close if you would like. Welcome back. [LB1093]

SENATOR WALZ: Well, as one testifier said, we want things to work out well, and we want things to work out well, too, because people are living in abusive and neglected situations and it needs to change. I realize there's a fiscal note, Senator Erdman, and that's why I presented two options for you to consider. I personally feel that full-time staff should be addressing these issues, but there's another option to get this process started. I also mentioned...or I mentioned that I also introduced LR296, which would create a legislative investigative committee. Senator Riepe and Senator Crawford were at the hearing earlier today. Unfortunately, not all those testifiers were able to stay for our hearing so I'm going to ask them to send you what they told the Executive Board today. These stories need to be heard by all of you and shared. What happened in Palmer is not an isolated incident. It's happening all over the state, and it needs to be addressed. I am willing...oh, I just want to also say Dr. Williams testified that our inspectors wouldn't have left the facility after viewing the conditions at Palmer; however, they did just that. They were there in June for four days and again in July for five days, and left without any action taken until that death occurred. I am willing to work with the committee to address any concerns about the current legislation that Dr. Williams and the Inspector...and Inspector Rogers have addressed. And with that, I thank you for your time and would try to answer any more questions that you might have. [LB1093]

SENATOR RIEPE: Thank you very much. Let's see if we have some questions. Seeing none, we appreciate it. Thank you very much. [LB1093]

SENATOR WALZ: Thank you. [LB1093]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: You've done a nice job. With that, that's the conclusion of LB...the hearing for LB1093. Now we will open on LB281CA (sic--LR281CA), which is Senator Morfeld. Welcome, Senator, and if you would give us the spelling on your name so we have it for the record. [LB1093 LR281CA]

SENATOR MORFELD: Yes. [LR281CA]

SENATOR RIEPE: And you are free to go. [LR281CA]

SENATOR MORFELD: Chairman Riepe, members of the Health and Human Services Committee, my name is Adam Morfeld, for the record, that's A-d-a-m M-o-r-f-e-l-d, here today to introduce LR281CA, which would put the question of whether our state should expand healthcare coverage to 90,000 hardworking Nebraska (sic) before Nebraska voters. I bring this bill for two primary reasons. First, we have around 90,000 Nebraskans with no real access to health insurance. These people are stuck in what we call the coverage gap--ineligible for Medicaid but also ineligible for financial assistance on the health insurance marketplace. This includes an estimated 22,766 of my constituents. They are students and people working on farms and ranches. They are waiting our tables in restaurants and providing home health services to our loved ones. They are Nebraskans. Medicaid expansion would cover these 90,000 low-income adults between the age of 19 and 65. Those covered under Medicaid expansion fit largely into two groups. The first group is low-income childless adults who can never really qualify for Medicaid otherwise with incomes of up to 133 percent of the federal poverty level, or \$1,346 per month. The second group is low-income parents who make too much to qualify for Medicaid but not enough to qualify for tax credits on the marketplace. Their incomes are between 58 percent...58 to 133 percent of the federal poverty level, or in easier to understand terms \$1,000 to about \$2,300 per month for a family of three. The fact that many Nebraskans are stuck in the coverage gap is a problem because they can't get the care they need to stay healthy and, therefore, to stay work force ready in many cases. However, there's a financial cost to our communities, such as through uncompensated care for providers when members of our communities file bankruptcy because of medical debt or because workers are less productive because they can't access the needed treatments. Take the story of Heather Welch of Scottsbluff, who was unable to make it today because, well, she lives in Scottsbluff and obviously has some financial issues. I won't read her whole letter but I'll just take two paragraphs real briefly. Heather stated: I was approved and had transitional Medicaid for about a year. I have now spent close to a year without Medicaid because I make about \$175 per month too much to be eligible for Medicaid. I do not meet the guidelines to receive health insurance from my employer and I would have to make twice as much as I do now to qualify for tax credits through the marketplace. I was receiving physical therapy and going to a chiropractor for hip problems that started to plague me when I walked, as well as some skin issues, before I was determined that I was over the income for Medicaid. I've had to limit what kind of treatment I can get for my

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

medical issues and how often I receive it. It's important to receive treatment for my hips because it has started to hinder my walking ability and trying to take care of my kids. I am their sole guardian. So that's just one story from a single mother who just falls within the Medicaid gap and simply can't afford the health coverage. Our state is strongest when all Nebraskans have the best chance to be healthy. Expanding Medicaid would let our hardworking friends and neighbors and family members with low income to get the healthcare that they need to benefit our state economically. It's simply the right thing to do. Second, I bring this bill because the Legislature has repeatedly refused to take action on this issue. And if the Legislature won't take action, it's time for the people of Nebraska to decide. Each session, since 2013, there has been a proposal before this body to expand Medicaid, and each session we have failed to solve this problem. We have dragged our feet and made excuses of why we can't come up with a way to cover these 90,000 Nebraskans. All the while, the need for people in the coverage gap has not gone away. In fact, it only increases. For years they have waited for us to take action and for years we have failed. We have also repeatedly turned down federal dollars to fund this program that would bolster our state's economy. The fiscal note for LB577 in 2013, the first bill to expand Medicaid debated by the Legislature, estimated that we could have drawn down more than \$2 billion in federal funding, federal funding that we've paid into as Nebraska taxpayers and that, quite frankly, is going to other states through fiscal year 2020, to provide healthcare coverage, support our healthcare providers, and, as a result, spur economic growth within our communities and actually maintain the strengths of our communities currently in many areas. Additionally, with my bill from last year, LB441, which is still sitting before this committee, we got a good estimate of what Medicaid expansion would have saved the state. With LB441, we could have saved at least \$89 million over four years from public assistance programs, behavioral health, corrections, and other programs. That doesn't even count the amount of property tax dollars that we'd save from counties not having to provide general assistance and that could go to property tax relief. The 32 other states that have expanded Medicaid have seen its ability to stimulate the economy, and we've repeatedly turned down that opportunity. Medicaid expansion is a good deal for our state, for our budget, and it's the right thing to do for our 90,000 friends and neighbors who currently have no path to healthcare coverage. If the Legislature and Governor won't take action on this issue, it's time for the people of Nebraska to decide and I ask that you allow them to do that by passing this out of the committee and advancing it to the floor for full debate. I urge your support of LR281CA and I'd be happy to answer any questions that you may have. [LR281CA]

SENATOR RIEPE: Thank you, Sir. For the record, federal funds not taken by Nebraska do not in fact go to other states. They simply stay with the U.S. Treasury. [LR281CA]

SENATOR MORFELD: Well, that might be the case, but other states will be able to take advantage of them or it might be able to go to other programs that other states would also take advantage of. [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Are there questions of the committee? Seeing none,... [LR281CA]

SENATOR MORFELD: Thank you. [LR281CA]

SENATOR RIEPE: ...thank you very much. And will you be staying for closing? [LR281CA]

SENATOR MORFELD: I hope so. [LR281CA]

SENATOR RIEPE: Let me ask you this before you...is there a fiscal note and what's the priority on this? [LR281CA]

SENATOR MORFELD: So there is no fiscal note and there is no priority, but if this committee passes it out of the committee, I'll certainly sit down with the Speaker and see if we can't make a special exception because we have 90,000 people who don't have healthcare and it's a public health crisis. [LR281CA]

SENATOR RIEPE: Thank you. [LR281CA]

SENATOR MORFELD: Thank you. [LR281CA]

SENATOR RIEPE: Any other questions? Seeing none, thank you. Additional proponents, please. [LR281CA]

MAREA BISHOP: (Exhibit 1) Good afternoon, Senators. My name is Marea Bishop, M-a-r-e-a B-i-s-h-o-p. Thank you for the opportunity to share my story with you. I am one of the 90,000 Nebraskans who cannot afford health insurance. And Dr. Williams' statement that the health of Nebraskans matters was the perfect segue to this. I arrived in Bellevue as a newlywed over 30 years ago. Prior to that I earned by bachelor's degree from the University of Maryland, European Division. Once settled in Nebraska, I worked various full-time jobs prior to starting a family in the 1990s. When my children were only five and six years old, I became a single parent. I knew I needed to work again, but I wanted to remain available to them and to their school. So I decided to start my own business. I went back to school and began working from home in 2002. I joined the appropriate professional organizations the following year and my business, Photography by Marea, great steadily until 2008, when the recession hit. Then it became necessary to supplement with additional part-time work. In 2010 I lost two family members, was in a serious car accident, and finished the year with pneumonia, all of which took a severe toll on my overall health. In March of 2011, I awoke one morning in such excruciating pain I couldn't get out of bed. I didn't know what was wrong. Eventually, I was diagnosed with fibromyalgia, a chronic pain and

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

fatigue condition. The only medications available have side effects of possible suicidal tendencies--not a risk a mother with a history of depression can afford to take. As sole proprietor, I was afraid to let anyone know of my diagnosis for fear that no one would hire me. I had to employ assistants to help me and to carry my gear, yet I persevered. I had to continue to take on other part-time jobs. I could work for two for three hours at a time, but that wasn't enough. I appealed to the Social Security Administration for assistance, showing that I was willing to work as much as I was able to. I simply couldn't manage full-time employment. The Social Security Administration said there was nothing wrong with me and denied my request. Over the past several years I have been bleeding my savings and retirement. I am only 53 years old with no hope of retirement for decades to come, having depleted what I would have had to live on. Without health insurance, I will have to move out of Nebraska to someplace where I will qualify for Medicaid. Just in October of this past year, I ran out of thyroid medication. When the pharmacy called my doctor's office for refill permission, it was denied. I would have had to pay for a \$400 new patient appointment because it was five days past the two-year mark when I had paid my last \$400 new patient. No one had informed me of that two-year span within which I would have had to return to have my prescription renewed. So I have been without that medication since October, exacerbating the debilitating fatigue, which makes full-time employment impossible--the only way I would have to qualify for health insurance. It is imperative that LR281CA be added to the ballot this fall so that people like me, who are dealing with health challenges, can receive the coverage they need. The cheapest insurance policy available to me last November was \$629 per month, an amount that no one in my financial situation is able to manage. I respectfully encourage you to advance LR281CA out of committee. Thank you for your time. [LR281CA]

SENATOR RIEPE: Thank you. Thank you very much. Are there...Senator Crawford.
[LR281CA]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you, Ms. Bishop, for being here today from Bellevue, and I appreciate your courage in telling your story and also how it shows and the way it shows its impact for those who are, you know, entrepreneurs with microbusinesses and also impact on your health. So thank you for sharing that story. It's not a question. I'm sorry. [LR281CA]

SENATOR RIEPE: Any other questions? Seeing none,... [LR281CA]

SENATOR CRAWFORD: Thank you. [LR281CA]

SENATOR RIEPE: ...thank you very much. [LR281CA]

MAREA BISHOP: Thank you for your time. [LR281CA]

SENATOR RIEPE: May I get a show of hands of the number of individuals that intend to testify? Whoa. Okay, I'm going to be a little tighter on overrunning the red light. We're going to keep it at five, to be consistent with what we have at other hearings, to be fair, but I will maybe ask you when we hit a red light to try to wrap it up in respect for everyone else that's here as well. Now let's go on with proponents, please. Thank you. If you'd be kind enough to state your name, spell it, please, and then who you represent and go forward. [LR281CA]

JORDAN RASMUSSEN: (Exhibit 2) Yes. Good afternoon, Chairman Riepe, members of the committee, my name is Jordan Rasmussen, J-o-r-d-a-n R-a-s-m-u-s-s-e-n. I serve as a policy associate with the Center for Rural Affairs. Rural Nebraskans are at a distinct disadvantage in their ability to access healthcare coverage. Combined with the limited availability of healthcare providers and facilities, this disadvantage grows as consideration is given to the economics of healthcare access. A high percentage of rural employment is in the business sector, in the small business sector, as we heard from our last testifier. These economic factors limit access to healthcare coverage and place a great number of rural residents in the coverage gap. Ultimately, this inability to access adequate healthcare coverage not only places individuals in peril but also the rural communities they call home. Rural Nebraska's economy is built almost exclusively on small businesses and their employees. Small businesses with fewer than 500 employees account for more than 97 percent of the businesses in the state. Of Nebraska's businesses with 50 or fewer employees, only 18.8 percent offer insurance coverage. This leaves the majority of workers to pay premiums and other out-of-pocket costs for healthcare insurance coverage or simply forgo that coverage altogether. Failing to expand access to health insurance forces healthcare providers to provide uncompensated care. This is often written off. These costs are written off either as bad debt or charity care. It also forces providers, including hospitals, to operate on a very...on very narrow margins. When a rural hospital is left to operate on narrow margins or ultimately face closure, it is not only residents in the coverage gap that are left without access to care. When a hospital closes, an economic and social void is left in the community. Hospitals and clinics are significant economic and employment drivers in rural communities. As was noted in the University of Nebraska-Kearney study, when the only hospital in a community is closed, 4 percent drop in per capita income results, as well as a 1.6 increase...1.6 percent increase in unemployment. Beyond these quantifiable losses in community employment and help...and hospital reimbursements are the dollars the state of Nebraska is leaving on the table by not expanding Medicaid. By 2022, it is estimated that Nebraska will have lost nearly \$3.1 billion in federal Medicaid funding during the first decade of the program. If Nebraska were to expand Medicaid, for every \$1 the state invests, \$12 in federal funds would flow back into the state. These dollars result in a boost to economic growth, employment, and state revenues, while providing insurance coverage for the nearly 90,000 Nebraskans who fall in the coverage gap. This return on investment far exceeds any business incentive which the state

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Health and Human Services Committee
February 21, 2018

offers and, moreover, provides the healthcare coverage that thousands of hardworking Nebraskans need. Now is the time for all Nebraskans to have a voice in deciding the future of Medicaid for their 90,000 neighbors, rural and urban alike, without...that currently do not have access to healthcare coverage. We encourage the committee and the Legislature to vote yes on LR281CA and allow all Nebraskans a vote on expanding Medicaid in our state. Thank you. Welcome any questions. [LR281CA]

SENATOR RIEPE: Okay. Thank you very much. Are there questions from the committee? Seeing none,... [LR281CA]

JORDAN RASMUSSEN: Thank you. [LR281CA]

SENATOR RIEPE: ...thank you. Additional proponents obviously. If you would, kind Sir, give us your name, spell it please, and then tell us who you represent and go forward. [LR281CA]

SEAN TJADEN: (Exhibit 3) Yes, Sir. Good afternoon. My name is Sean Tjaden, that's S-e-a-n T-j-a-d-e-n. I'm a community organizer at the Heartland Workers Center, and I'm here to express my support of LR281CA. In 2015, the Heartland Workers Center conducted a community assessment in south Omaha in which we collected 630 surveys. We found that, of those surveyed, 35 percent did not have healthcare coverage. The majority said they were not eligible. Nearly 50 percent of those who found themselves ineligible explained that they could not afford healthcare options available on the marketplace, while another 28 percent said their place of employment does not offer coverage. These factors, among others, compound to create a gap in coverage that includes over a third of the south Omaha community. The need to expand coverage goes beyond just simply providing healthcare. Excluding a large portion of our community from basic healthcare has more complex social consequences which only exacerbate poverty. Put yourself in the shoes of those that fall in the gap of current healthcare coverage, of those hardworking families who make too much to qualify for Medicare (sic) under current system but not enough to afford coverage on the market. If they were to experience an unforeseen medical emergency, they could be sent into financial ruin, with crippling medical bills vastly changing the family's future, potentially leading them to seek out other services from the state in order to simply get by. I was privileged enough to be able to study a postgraduate degree in South America, where I became familiar with some of the most impoverished communities on the greater American continent. I am firmly of the belief that all social services in the United States create a safety net that negates the desperation I saw in these communities, a net that inhibits the development of the slums and favelas as found in other parts of our hemisphere. What is so wrong about amplifying that safety net, especially when the amplification not only prevents families from falling into poverty but also aids in lifting families up into the middle class, alleviating pressure on our already strained social services? I imagine some of the opponents will

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

bring up the costs of the expansion and I am sure that they will be able to explain the costs that the expansion could bring. Before we get to that point, I urge you all to understand that while, yes, there are costs, there are also financial benefits. For example, closing the healthcare gap will reduce the number of uncompensated care losses to hospitals. Under the current system, one could be disincentivized to take promotions at work, fearing that a raise would take them beyond the limits of Medicaid but not far enough to be able to afford market-based coverage, promotions that would bring a higher pay and, in turn, generate more tax revenue, income tax revenue. Finally, to a certain extent, Nebraska would be losing out on money if there were no extension. The extension is in part funded by federal tax revenue, revenue that is generated by all of us. As more states choose to expand Medicare (sic), our Nebraskan tax dollars support healthcare coast to coast. So why not invest in the heartland? I'm in support of LR281CA because I am one of many that feels the need to support a public good--our health. Thank you. [LR281CA]

SENATOR RIEPE: Thank you very much. Are there questions from the committee? Senator Erdman. [LR281CA]

SENATOR ERDMAN: Thank you. Thank you, Senator Riepe. Thank you for coming. Can you describe for me or explain to me what a community organizer is. [LR281CA]

SEAN TJADEN: Yes, Sir. So as a community organizer, we have the opportunity to work very close with the community. Principally, we find, train, and develop leaders in the community at a grass-roots level with the hope to be able to expand grass-roots power and to create, you know, let people in the community understand that they have the power to interact on a political level and in civic engagement. [LR281CA]

SENATOR ERDMAN: Okay. Thank you. [LR281CA]

SENATOR RIEPE: Okay. Thank you very much. Are there other questions? Seeing none, thank you very much for being here. [LR281CA]

SEAN TJADEN: Thank you. [LR281CA]

SENATOR RIEPE: Next opponent, please. [LR281CA]

SENATOR CRAWFORD: Proponent. [LR281CA]

SENATOR RIEPE: Oh, proponent. Thank you. Thank you very much. If you'd be kind enough to give us your name, spell it,... [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

MEGHAN PETERSEN: Yes. [LR281CA]

SENATOR RIEPE: ...and then proceed on. [LR281CA]

MEGHAN PETERSEN: (Exhibit 4) My name is Meghan Petersen, M-e-g-h-a-n P-e-t-e-r-s-e-n, and thank you for having me this afternoon. I am here to testify in support of LR281CA, a constitutional amendment to state that affordable healthcare is a right and to extend eligibility under the Medical Assistance Program. I am a Nebraska voter and I think it's time we get to vote on expanding Medicaid. Access to affordable healthcare is a right. Nebraska believes in showing equality before the law, and by not expanding Medicaid we are not upholding our state's values. Thirty-two other states have successfully expanded Medicaid. Advancing LR281 would be one step toward allowing the public to decide whether to provide 90,000 hardworking Nebraskans with access to healthcare, in turn, allowing those Nebraskans to pursue a healthy lifestyle while contributing to the betterment of their family, work, and the great state of Nebraska. Medicaid expansion would be a smart investment in Nebraska's future and state economy. It would bring our tax dollars home from D.C. to be utilized in our healthcare facilities and jobs. We have been waiting too long. The time is now to expand Medicaid. For too long Nebraskans have been waiting on our leaders to solve this public health crisis. It is time to allow Nebraskans to decide. Medicaid expansion is essential to our future as a state. This is the best tool to make sure people receive the health insurance they need while bringing our tax dollars home. By expanding Medicaid, we would be ensuring a better future with a healthy work force, a strong economy, and thriving communities that will provide for its members. I urge you to advance LR281CA to prioritize the needs and health of all families in Nebraska. Thank you for your time and I'll take any questions. [LR281CA]

SENATOR RIEPE: Thank you. Are there questions from the committee? Seeing none, thank you very much for being here. [LR281CA]

MEGHAN PETERSEN: Thank you. [LR281CA]

SENATOR RIEPE: Again, proponents. If you'd be kind enough to state your name, spell it, and then... [LR281CA]

ALEJANDRA ESCOBAR: Okay. [LR281CA]

SENATOR RIEPE: ...who you represent and go forward, please. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

ALEJANDRA ESCOBAR: (Exhibit 5) My name is Alejandra Escobar, A-l-e-j-a-n-d-r-a, and I'm here presenting Young Nebraskans in Action and Heartland Workers Center. I'm a first-generation immigrant and a junior at the University of Nebraska-Omaha, and a childless adult. Last summer, after my nineteenth birthday, I received a letter in the mail saying that I was no longer eligible for Medicaid. My immediate reaction was to be a responsible adult and look for a health insurance agency. Unfortunately, the rates were too expensive. I'm only working part time, so insurance is really a luxury. If Medicaid was expanded, I could still be insured, but current laws make healthcare a tough decision for many young people like me. The failure to expand Medicaid will not only...will do nothing more than put me and other youth in a crisis situation where we simply just hope that we do not get sick or get injured. It's a hope that is entirely unrealistic. In December, a week before my finals, I got the flu. I spent two weeks in pain, unable to work, barely going to school, and I could not talk. I lived with the fear of going to the doctor because I was told that a visitation could cost me up to \$400 or even more, and I didn't have that money. I knew the flu would go away in a few days so I could just take a few remedies and then get better. Unfortunately, I spent my finals week with a terrible health position. I was literally in a classroom writing with one hand and blowing my nose with the other one. I was really...I was really sick. For me, it was the flu. But for some of my friends, my friends would stop...they stopped taking their required medications because they could no longer afford it after their Medicaid was expired. As students, we only have two options: either get a better job...either get a better job or remain insecure...uninsured. The second option is usually the safest because it's difficult to maintain a good standing in school by working full time. We know the time uninsured is temporary until we settle as professionals, but it's making us choose between the value of our education or my own personal health and safety. Healthcare is part of the public interest of more than 90,000 Nebraskans who do not have health insurance. Medicaid expansion is a solution proven by 32 states. And as we move to a more competitive state in work force, we can't fall behind. I'm here in support of LR281CA because we have seen multiple attempts to build legislation in support of Medicaid expansion but there's no action. It's time that we let the voters decide. Thank you. [LR281CA]

SENATOR RIEPE: Thank you for your story and for your position. Are there questions from the committee? Seeing none, thank you very much. [LR281CA]

ALEJANDRA ESCOBAR: Thank you. [LR281CA]

SENATOR RIEPE: Next proponent. If you would, Sir, state your name, spell it, and then who you represent and go forward. [LR281CA]

SILAS HAMMEL: (Exhibit 6) Thank you, Senator. My name is Silas Hammel, S-i-l-a-s H-a-m-m-e-l, and today I'll be reading testimony from Monica Mondragon, M-o-i...M-o-n-i-c-a M-o-n-

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

d-r-a-g-o-n. The testimony reads as follows. Dear Senators: My name is Monica Mondragon and I am a bilingual provisional mental health therapist in Omaha, Nebraska. I am an independent contractor with a private practice known as Pando Geriatric Counseling, PC. We currently have a variety of services to help promote the mental health wellness of an older adult who is experiencing unique needs as he or she ages. Our counseling services not only help the elderly but also families, adolescents, and even children. We offer a variety of counseling services which include grief recovery, drug and alcohol, cognitive and supportive counseling, and we accept most major insurances, including Medicaid. I am writing this support letter not to promote our services but, rather, to emphasize the importance that mental health has in the community. As we know, mental health affects many older adults who, more often than not, have mental health issues that go untreated due to several factors. One of those factors that leads many individuals to go without proper mental health services is the lack of health insurance. Medicaid is one of our many payees for our clients who need the counseling services and without it many individuals who are low income, yet make might, quote, too much money, would not be able to treat their mental health out of pocket as services can become costly. Therefore, I encourage you all to support the 90,000-plus Americans who would greatly benefit from a positive outcome regarding the LR281CA. Help them obtain the proper means to seek services to help their overall well-being, the lives of their children and their grandchildren. The residents of Nebraska can greatly benefit by having the LR281CA implemented. Thank you for your time. Sincerely, Monica Mondragon. [LR281CA]

SENATOR RIEPE: Thank you very much. Let's see if we have any questions. Seeing none, thank you very much for being here today. [LR281CA]

SILAS HAMMEL: Thank you, Senators. [LR281CA]

SENATOR RIEPE: Proponents, please. If you'd be kind enough to state your name, spell it, who you represent, and then you're free to go. [LR281CA]

CAROL LACROIX: (Exhibit 7) I'm Carol, C-a-r-o-l, LaCroix, L-a-C-r-o-i-x, and I'm here representing OTOC, Omaha Together One Community. Omaha Together One Community is a coalition of 27 congregations and other community organizations that work together on basic issues that affect our families. OTOC urges you to support LR281CA, which would place the issue of Medicaid expansion on the 2018 ballot for Nebraskans to decide. I am a retired family physician. I have seen firsthand that people with access to preventative and primary healthcare in Nebraska have better health. Currently, there are about 90,000 Nebraskans in the health insurance gap. The prevailing sentiment seems to be, those people should be working and get their insurance through a job. In fact, about 73 percent of those people in the gap are working but they are still without health insurance coverage to help pay their medical bills. Well, who are

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

they? In descending order from most represented to least, here are the categories. Food service industry: waiters, cooks, fast-food workers. Do we care if these people are sick when they're serving us? The construction industry: carpenters, laborers, masons. Sales: those who are doing retail sales, clerks, cashiers. Cleaning and maintenance: housekeepers, janitors, landscapers. Office and administration support: bookkeepers, tellers, customer service. Production workers: meat, poultry cutters, assemblers, machine operators. Transportation: truck drivers, taxi drivers, parking attendants. Personal care and service field: hairdressers, personal care aides, child-care workers. Healthcare support occupations: home health aides, pharmacy aides, dental assistants. And finally, the "other" category with whose numbers are roughly that...the same as the food service industry. In the course of a week each one of us here probably encounters or benefits from the work of someone in these fields who is without health insurance coverage to help them pay their medical bills. This fails to fulfill the motto on the Nebraska flag which says "Equality Before the Law." For the past four years testimony before this committee by impartial researchers has clearly shown that extending coverage is a sound investment for Nebraska, creating a healthier work force and strengthening the state's economy. The fact that 32 states that have expanded Medicaid do not want to lose this funding provides even more veracity to these findings. If the Nebraska Unicameral is unable or unwilling to take action on this issue, it's time to take it to the people. Let them decide what's best for Nebraska. OTOC urges you to facilitate this process by supporting this proposed amendment to the Nebraska Constitution. Thank you. [LR281CA]

SENATOR RIEPE: Thank you. Are there questions from members? Seeing none, thank you very much for being here. Proponents, please. Welcome. You've been here before, you know the drill. [LR281CA]

ANDREA SKOLKIN: Yes. [LR281CA]

SENATOR RIEPE: Thank you. [LR281CA]

ANDREA SKOLKIN: (Exhibit 8) I know the routine. Senator Riepe, members of the committee, my name is Andrea Skolkin, A-n-d-r-e-a S-k-o-l-k-i-n, and I'm the chief executive officer of OneWorld Community Health Centers in Omaha. I'm here today representing the Health Center Association of Nebraska and our seven federally qualified health centers. As you know, our health centers are nonprofit, community-based organizations that provide high-quality medical, dental, behavioral health, pharmacy, and support services to people of all ages. We are healthcare homes for Nebraska's low-income families. I am here today to state our strong support for LR281CA. Nebraska's health centers served nearly 85,000 patients in 2016. And while we're in the process of finalizing our 2017 data, we anticipate that number will grow to well over 90,000 patients. Seventy percent of our patients are racial and ethnic minorities, ninety-two percent live

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

at or below two hundred percent of poverty, which is a little over \$50,000 in annual income for a family of four. We are the state's safety net for low-income Nebraskans and we continue to see growing need for access to healthcare. Fifty percent of the patients who walk through our doors are uninsured, the second highest rate in the nation's...among the nation's 1,400 health centers and double the national average for health centers, which is twenty-four percent. One out of three uninsured children in Nebraska is served by a health center, and 26 percent of the state's total uninsured population receives care at a health center. Placing Medicaid expansion on the ballot could provide access to healthcare coverage to as many as 90,000 uninsured Nebraskans. Thousands of health center patients would then have access to healthcare that eludes them now. These Nebraskans want what we all want, which is the peace of mind that comes with healthcare coverage. Medicaid expansion would also allow our health centers to continue to build our capacity because we would be reimbursed for the cost of their care and, thus, could assist even more working poor and low-income vulnerable families. The Nebraska Legislature has generously supported us, in addition to our federal dollars, in the past. And you have seen what we can do to provide quality healthcare, including preventive care, to support Nebraska's health system. But we cannot completely cover the cost for health services for all uninsured Nebraskans without reimbursement, state support, and philanthropy. Access to high-quality, affordable healthcare plays a critical role in the success and well-being of Nebraska's families. Placing Medicaid expansion on the ballot will afford Nebraskans the opportunity to address access to that healthcare coverage. Thank you for your time and I'm happy to answer questions.
[LR281CA]

SENATOR RIEPE: Thank you. We'll see if there are any questions from the committee. I see none. Thank you very much. Next proponent, please. I know you've been here before, but if you'd be kind enough to spell your name and state it,... [LR281CA]

KATHY WARD: Actually, just last Wednesday. [LR281CA]

SENATOR RIEPE: Yes. [LR281CA]

KATHY WARD: (Exhibit 9) Good afternoon, Senator Riepe, members of the Health and Human Services Committee. My name is Kathy Ward, K-a-t-h-y W-a-r-d. I'm a volunteer and I'm here to represent AARP Nebraska in support of LR281CA. About half of AARP members in Nebraska are under the age of 65. AARP's Public Policy Institute estimates there are more than 19,000 Nebraskans between the ages of 45 and 64 who are currently uninsured and have incomes below 138 percent of poverty. Sixty-two percent of those who benefit from Medicaid expansion are in working families. As the former administrator of Every Woman Matters in the Nebraska Department of Health and Human Services, one of my jobs was to take desperate calls from uninsured people, and it was the most heartbreaking part of my job. For many clients, most of

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

whom were in that age group that's represented by AARP, the only health services they received all year were their annual screenings. And when they called with life-threatening conditions that were not breast or cervical cancer, there was almost nothing I could do to help. I went home and cried a lot of nights, and I vowed when I retired that I was going to spend part of my time as an advocate for health issues. Many of our clients who called for assistance, and people other than clients also called, had lost insurance coverage because of a layoff. I remember one woman who'd worked for a company for 20 years and she got laid off just at the time that she needed the coverage the most. Many of our people were working two to three part-time jobs and none of them provided health coverage. As mentioned before, 33 states, including the District of Columbia, have solved the problems of low-income uninsured citizens by passing Medicaid expansion, and a lot of those states are our neighbors, they've found a way to do that: Colorado, North Dakota, Iowa, Arkansas, Montana, Minnesota. The compassion in these states has the potential to reduce premature mortality because more patients are receiving care for chronic illness and fewer of them are skipping their medications. There's also research that shows major fiscal and health benefits to states that have expanded Medicaid. I read one in the New England Journal of Medicine on the economic effects of Medicaid expansion in Michigan and it shows savings in state spending for services such as mental health and correctional health of \$235 million annually. Expanding Medicaid, as you've also heard, boosts the economy by bringing back federal tax money. There was a study that I'm sure most of you heard a few years ago from economists at the University of Nebraska at Kearney and they found that Medicaid expansion in Nebraska would bring in over \$2 billion in federal money and generate economic activity in the state of more than \$5 billion. Because we have a lot of AARP members in Nebraska who are in rural areas, we are also very concerned about retaining rural hospitals. In many Nebraska communities, hospitals are the largest employer and they're kind of the centerpiece of their town. Between 2013 and 2015 estimated savings for hospitals in Medicaid expansion states totaled \$6.2 billion. In the United States, 83 rural hospitals have closed since 2010 because of financial factors, and approximately two-thirds of them were in states that had declined to expand Medicaid. AARP supports Medicaid expansion because it provides coverage for hardworking people who have paid tax dollars all their lives. Expanding affordable coverage gives people access to preventive care that saves lives and it helps hospitals keep their doors open. For these reasons, we urge your support for LR281CA. And I thank you for your time again and I would be happy to answer any questions that I can. [LR281CA]

SENATOR RIEPE: Thank you for being here again on Wednesday. Are there questions from the committee? Seeing none, again, thank you. [LR281CA]

KATHY WARD: Thank you. [LR281CA]

SENATOR RIEPE: Additional proponents, please? You know the process, so. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

MELISSA FLORELL: (Exhibit 10) I do. I do. My name is Melissa Florell, M-e-l-i-s-s-a F-l-o-r-e-l-l, representing the Nebraska Nurses Association. Our legislative platform states that we believe that all individuals have a right to basic healthcare and, therefore, we support legislation that promotes equal access to healthcare for all individuals. The platform also states that preventative measures can result in better quality of life and reduce the lifetime costs of healthcare. We support legislation to that effect. And I just would like to share, I mean you have my written letter here, but prior, my husband and I farm and work in rural Kearney. Prior to my position with the Nebraska Nurses Association, I worked in oncology and it was not an unusual situation for me to be caring for a patient who both individuals in that household were working, they were working as ag support workers, you know, they were working in food service, and they could not access any sort of coverage. And that's heartbreaking when you look at that desperation in those families' faces and realize that we could do something about this as a state. And for the past four to five years, we've been here supporting Medicaid expansion, and I've been here on days when every healthcare profession or provider was on the same page, understanding the need for Medicare (sic) expansion. And so if we cannot do that as a Legislature, I just ask that we take it to a vote of Nebraska's registered voters. Also, in working in agriculture, agriculture is our primary income. I don't receive healthcare benefits through my job. I have been able to access affordable healthcare through the marketplace. I mean we meet the tax savings requirements so I'm a success story about how the Affordable Care Act was intended to work and I want to see that extended to those 90,000 Nebraskans in the gap because it makes an enormous difference in their quality of life. And I'd be happy to answer any questions. [LR281CA]

SENATOR RIEPE: Okay. Thank you. Are there any questions? Seeing none, thank you for being here. Proponents. If you'd be kind enough to state your name and spell it, and then tell us the organization you represent. [LR281CA]

ALEJANDRINA LANUZA: (Exhibit 11) Good afternoon. My name is Alejandrina Lanuza, A-l-e-j-a-n-d-r-i-n-a, Lanuza, L-a-n-u-z-a. I'm here from Schuyler, Nebraska, representing the Comite Latino, which is Latino Committee from Schuyler, and I'm here to support the resolution. And I'm here to read the letter from our board president, which is Victor Lopez, V-i-c-t-o-r L-o-p-e-z. Dear Senators: As residents of rural Nebraska working in the community of Schuyler, we strongly support all LR281CA. LR281CA will give the opportunity to approximately 90,000 Nebraskans to have access to health insurance, as they currently do not qualify for Medicaid but also do not make enough money to qualify for a tax credit on the health insurance marketplace. Under Nebraska's current Medicaid program, childless adults who don't have disability are simply not eligible for Medicaid, even if they have a low income. Also, many low-income parents do not qualify for Medicaid because they have too much money. They make too much money, I'm sorry, over \$1,005 a month for a household of three. But to be eligible for marketplace tax credits a person must have an income of 100 percent of a federal poverty level or

Health and Human Services Committee
February 21, 2018

\$1,732 a month for a household of three. These people fall into the coverage gap, which Nebraska could close by expanding Medicaid. They are parents trying to give their kids a better future. They are people we see every day at construction sites and on farms, in our schools, stores, and restaurants. They are neighbors, Schuyler residents, friends, family, but above all we...they are Nebraska residents that can greatly benefit through the implementation of LR281CA. Thank you. And I put in the package that you guys get is the "Community Health Needs Assessment" that was made by CHI Health in Schuyler that shows that in 2016 Schuyler had a percentage of 14.94 percent of people uninsured in our little town. So we decided to support it because of this. Thank you. [LR281CA]

SENATOR RIEPE: Okay. Thank you very much. Are there questions from the committee? Seeing none, thank you. More proponents. If you would, Sir, the orange slip. Okay. If you'd be kind enough to state your name, spell it, and then who you represent and away we go. [LR281CA]

LOREN BLAKE: (Exhibit 12) Yes, Senator. Hi. My name is Loren Blake, L-o-r-e-n B-l-a-k-e. I'm a community organizer with the Heartland Workers Center and I am testifying in support of LR281 and expansion of Medicaid coverage. As a community organizer, we essentially roll up our sleeves and go speak with members of the community and address their cares and their concerns as our Nebraska neighbors. The communities engage themselves in empowering themselves. By ensuring that LR281CA is on the November ballot, the citizens of Nebraska will be empowering themselves to decide that having healthy, productive neighbors is their right as citizens and their right to vote and decide, as a collective, how they want to run their lives, other than a few people in this building deciding whether they deserve to be healthy and productive citizens that can support their families, children, and have access to healthcare. Let's be clear, denying a human access to affordable healthcare due to income or the nucleus of their family is simply inhumane. The citizens of Nebraska have a right to vote and who amongst us can deny that right to citizens who have the right to vote? I was a service worker. I was a bartender for many years and I know what it's like when you live and you make minimum wage and you get sick and you're scared to go to the hospital and you can't afford to take a day off of work. There are a million other bartenders and service workers behind me waiting for my position. And it's sad that as a state of Nebraska there are 32 states that are a lot more progressive on having healthy citizens than we are, and we don't even want our voters to have the opportunity to vote for this themselves. And as a voter, whether you have children or not or whether you live above or below the poverty level and whether your employer can or cannot offer you access to affordable healthcare, you should still have the basic right to vote on this subject. Now speaking for the voters, I'm not speaking for the voters. The voters are speaking for themselves. I knock on doors for a living. I fully support LR281CA and a right for the voters to decide if all Nebraskans deserve to live healthy and productive lives. Thank you. I'm open for any questions. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Are there any questions from the committee? Seeing none, thank you very much for being here. [LR281CA]

LOREN BLAKE: Thank you. [LR281CA]

SENATOR RIEPE: Next proponent. [LR281CA]

AMANDA GERSHON: Good afternoon, almost evening here, folks. My name is Amanda Gershon, A-m-a-n-d-a G-e-r-s-h-o-n. I first came to testify in 2014, sick and working, in the Medicaid gap. I had just left my dream job because my health would no longer allow me to do it. I shared the story of my personal battle with my health, asking for help. I had doctors refuse to see me as a cash patient. I needed testing, procedures, and proper medications. I was being drained financially by medical expenses. I hadn't had a home of my own in years. My family took me in. As we know, that year it didn't pass. I came back in 2015, still pushing to work part time. I was down to 80 pounds. My hair was falling out. I couldn't do basic things, like bathe myself. I looked like a skeleton, a shell of the person who used to work two jobs to survive. I begged for my life. That year I discussed my final wishes with my mother. No parent should ever have to bury a child, but my mom knew it was a reality. Without medical care, I was fading fast. I applied for disability and, through the grace of God, was approved. It still took another nine months of paperwork and calls to DHHS to get Medicaid. That was in the fall of 2015. I wasn't here in 2016 testify. My body had been going through so much for so long untreated that it shut down. My mother watched as the ER doctors worked on me for hours before I was stable enough to move to a room. I was fighting for my life. I have spent the last two years on Medicaid, battling to manage my symptoms. I have a long road ahead, but I'm learning to balance multiple conditions. In 2014 I was at the beginning of major changes in my health. I truly believe had it been able...had I been able to get regular, coordinated healthcare, I would not be on disability. Early detection and treatment are the key to managing health issues and my symptoms got worse untreated. I've always been an independent person, but being sick takes that from you. I'm blessed to have a great family to help and I know not everyone is. My mom was preparing to lose me, her oldest child. This is how state...our...sick our state expects people to get before they can get access to healthcare and, at that point, it is so hard to come back. But I'm still here and I'm still fighting, and I'm here because I'm not the only one who's gone through this. I still have friends in the gap. They are still there. I'm a registered voter and I'm pleading with you to allow us to change this. Please pass LR28CA (sic--LR281CA) and give us a chance to vote on this. And I am very happy to answer any questions. [LR281CA]

SENATOR RIEPE: Okay. Thank you. Let's see if there are any. Senator Crawford. [LR281CA]

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Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you, Amanda, Ms. Gershon, for being here again. This is one of the biggest disappointments of my time here. [LR281CA]

AMANDA GERSHON: Yeah. Mine too. [LR281CA]

SENATOR CRAWFORD: But I've been sitting here since 2014 and you've been sitting there, and I apologize for that. And I just appreciate that you're here today. [LR281CA]

AMANDA GERSHON: Can you see how much better I am? [LR281CA]

SENATOR CRAWFORD: Yes, I do. I do. [LR281CA]

AMANDA GERSHON: It's amazing. [LR281CA]

SENATOR CRAWFORD: And I recall your testimony, and perhaps it was '14, when you talked about the work you wanted to get,... [LR281CA]

AMANDA GERSHON: Uh-huh. [LR281CA]

SENATOR CRAWFORD: ...and if you could improve your health you would get. And so I just wondered if you'd tell us a little bit about your profession and the work you would like to do if you were healthy enough. [LR281CA]

AMANDA GERSHON: Well, I had originally been in food and beverage. I had actually been a general manager of a restaurant and a cook, and I got to use my own recipes so that was quite fun. [LR281CA]

SENATOR CRAWFORD: Uh-huh. [LR281CA]

AMANDA GERSHON: I know that's not realistic anymore. I know I have to think about what my health will allow me to do. But I've gone through voc rehab. I'm looking to go back to school. I love being here with you guys. I love politics. [LR281CA]

SENATOR CRAWFORD: Right. [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

AMANDA GERSHON: It's fun. I would really like to go back for economics and I think...I really hope this year is the year I make it back. I almost did last fall but had another slip. But I'm not giving up. I will be back there. [LR281CA]

SENATOR CRAWFORD: Right. Right. And what brings you back each year? [LR281CA]

AMANDA GERSHON: I've had so many people reach out to me personally. For whatever reasons, they haven't made it. You folks are quite intimidating to a lot of people. But I have a friend who's following my exact path at the exact ages and everything, and I would love to see her continue to work in her 30s. [LR281CA]

SENATOR CRAWFORD: Thank you so much for being here. [LR281CA]

AMANDA GERSHON: Thank you. [LR281CA]

SENATOR CRAWFORD: Thank you. [LR281CA]

SENATOR RIEPE: Okay. Thank you. Are there additional questions? Seeing none, thank you very much for being here. [LR281CA]

AMANDA GERSHON: Thank you. [LR281CA]

SENATOR RIEPE: Additional proponents. Thank you, Sir. If you'd be kind enough to state your name, spell it, and then who you represent and please go forward. [LR281CA]

JEFF HALL: (Exhibit 13) Sure. My name is Jeff Hall, J-e-f-f H-a-l-l. I'm representing myself as a Nebraska voter. Chairman Riepe and members of the Health and Human Services Committee, thank you very much for your time this evening. I'm going to keep this pretty brief. I know we've had a lot of folks on the proponent side. I am testifying in favor of LR281CA. As a fifth-generation Nebraskan, my family has been in this state since the 1880s. We were drawn by opportunities in the packing plants in south Omaha and some farmland that a lot of Swedes took over just outside of Nebraska City. I think the reason we've stayed is because we believe Nebraska is a great place to live, work, and raise a family. This is why a lot of members of my family have gone into public service and it's why we're still here today. But the opportunity that my family came for and the opportunity that my family stayed for is getting harder to come by for some of our neighbors, you see, for roughly 90,000 Nebraskans have no way to get health insurance because they fall into what is called the coverage gap. I'm sure, as a result today and before, you all are aware of what that is. For me this is important because I'd be helping

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

Nebraskans make for a stronger work force. We've heard of people in testimony today that want to work. They want the opportunity to work. They want to contribute. The Nebraskans in the coverage gap are the people educating our children in our schools, they're building our state on construction sites. They're working hard for their families from Bayard out to Bellevue. Making sure our work force is healthy is a great way to make sure our unemployment stays at historic lows and our economy expands. Our neighbors in Iowa and Colorado, as well as folks in 30 other states, have expanded Medicaid. It's allowed working parents to afford good health insurance. It's brought federal tax dollars back to their states, rather than sitting in the U.S. Treasury, Senator Riepe. And it's strengthened their Medicaid programs. And it's time we do the same for Nebraska. Since the Legislature has failed to act on this important issue, it's time to give the...excuse me, it's time to give the people of Nebraska a say. I know there are disagreements with Medicaid expansion, but voting to advance the bill before doesn't ask you to agree with Medicaid expansion. It asks that you trust the average voter of Nebraska to make the decision for themselves. It would put the question of whether to expand Medicaid on the 2018 ballot. Please support this bill and give Nebraskans a chance to have their own say. We can no longer wait for our leaders to act. Thank you. [LR281CA]

SENATOR RIEPE: Thank you. Let's see if we have any questions. Seeing none, thank you for being here. [LR281CA]

JEFF HALL: Thank you. [LR281CA]

SENATOR RIEPE: Again, additional proponents. If you will state your name, please, spell it, and then proceed on, tell us who you work with. [LR281CA]

MEG MIKOLAJCZYK: (Exhibit 14) Good afternoon, Chairman Riepe and members of the committee. My name is Meg Mikolajczyk, M-e-g M-i-k-o-l-a-j-c-z-y-k, and I'm the associate general counsel and senior public affairs manager for Planned Parent of the Heartland. Senator Morfeld's proposal to put Medicaid expansion on the ballot gives Nebraskans the opportunity to finally weigh in on an issue debated many times by this Legislature. Planned Parenthood of the Heartland supports that effort and we ask the committee to support this proposal. The Governor has had many opportunities in the past few years to prioritize expansion of access to healthcare for Nebraskans to ensure that all of us can live long, healthy, economically secure and fulfilled lives. Rather than prioritizing policies that actually protect life and health in Nebraska, our Governor has repeatedly failed to support or prioritize numerous proposed policies to expand access to healthcare, including various versions of Medicaid expansion, and has instead dedicated his focus this year to attacking access to healthcare for sexual assault survivors and low-income men and women across the state. Enough is enough. Other states across the nation have experienced great economic success after expanding Medicaid. These states ultimately

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

spend much less on services, like state mental health and health services with our corrections system, and Nebraskans gaining health insurance will have greater purchasing power to spend on their other basic needs, like housing and food. Planned Parenthood wants all of our patients to be economically stable and healthy. This proposal would assure both. Planned Parenthood of the Heartland provides a full range of expert reproductive healthcare services to residents of Nebraska in our Lincoln and Omaha health centers. Over half of our patients are at or below federal poverty. Our patients are people who would directly benefit from Medicaid expansion. A woman is twice as likely to use highly effective and safe forms of birth control, like IUDs, and therefore...or thereby minimize likelihood of unintended pregnancy when she uses Medicaid coverage to visit her provider. IUDs and implants are the easiest to use and most cost-effective methods of reversible contraceptives available because they can be covered for up to 12 to 3 years respectively. The cost ranges is between \$500 and \$900 for this product. A Medicaid birth would cost \$12,770. So expanding access to Medicaid for family planning care decreases unintended pregnancy and Medicaid costs to the state. We know that uninsured individuals are also less likely to receive preventive care, including health screenings for Pap tests, HPV screenings, and treatments for chronic illness and disease. We want our patients to have the same opportunities as those with insurance to access all types of healthcare, including during the preventive stage, so those individuals can also lead happier, healthier, and more economically sustainable, productive lives. Planned Parenthood of the Heartland urges this committee to support Senator Morfeld's proposed constitutional amendment to put this on the ballot because it's time for the people of Nebraska to determine whether we will ensure all Nebraskans receive affordable healthcare at an earlier and preventive stage and are able then to be economically stable and self-sufficient. Thank you. [LR281CA]

SENATOR RIEPE: Okay. Thank you. Are there questions from the committee? Seeing none, additional proponents, please. [LR281CA]

SHANNON PARRY: Good afternoon. [LR281CA]

SENATOR RIEPE: If you would please state your name,... [LR281CA]

SHANNON PARRY: Sure. [LR281CA]

SENATOR RIEPE: ...spell it, and tell us who you're with and then go forward. [LR281CA]

SHANNON PARRY: (Exhibit 15) Right. Thank you. My name is Shannon Parry, that's S-h-a-n-n-o-n P-a-r-r-y. I'm a registered voter here in Lincoln. And there have been a lot of people who have come up here and talked about Medicaid today but I'm actually here to talk about how important the right to vote is to me. I am a mother of two girls growing up here in Lincoln and in

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

this great state of Nebraska, and I just want to talk to you about how important it is voting. And I talk to my kids all the time about this. I vote in every election from local elections for, you know, city council and bond issues, to statewide elections and national elections. And I take my daughters with me every time I go to vote and I talk to them about how important it is to vote and how important it is to be informed about the issues because that is the one way that we get to weigh in, in this democracy, right? For generations, my family members have participated in protecting this country by serving in the military and, you know, there's many things that they're protecting. But the right to vote is so important and imperative to me and, therefore, I really encourage and urge you to pass this bill out of committee. Send it to the Unicameral and then eventually let the rest of Nebraskans weigh in on this issue. Thank you. [LR281CA]

SENATOR RIEPE: Thank you. Are there questions from the committee? Seeing none, thank you very much. Next proponent. Mr. Hale. [LR281CA]

ANDY HALE: Good evening, Chairman Riepe, members of the HHS Committee. My name is Andy Hale, A-n-d-y H-a-l-e, and I'm the vice president of advocacy for the Nebraska Hospital Association. All Nebraskans deserve access to good, affordable, quality healthcare. Right now there are over 90,000 Nebraskans who cannot get health insurance. They either make too much to qualify for Medicaid or make too little to afford the insurance. These are our working poor. These are our neighbors, our coworkers, our friends, and our family. People who do not have health insurance still get sick and need medical care. When we get sick, what do we do? We go see a doctor. My daughter had a sore throat yesterday and, as soon as I got home, I took her to her primary care physician and she was evaluated. Thankfully, it was nothing serious. I took her right away because I was concerned and love her, but also because I have insurance. What happens if you don't have insurance? You wait. Your cold turns into a sinus infection. Your sinus infection turns into pneumonia and then where do you go? Really, the only place you can, and you end up in our emergency departments. You can't stop people from getting sick. Many uninsured, particularly those with lower incomes, are not able to pay for the care they receive. Under the Emergency Medical Treatment and Labor Act, EMTALA, hospitals cannot turn away individuals, who have an emergency medical condition, based on their inability to pay. It's against the law to refuse service if the patient is not insured. Hospitals that care for uninsured patients end up providing significant amounts of what is called uncompensated care, care that patients cannot pay for because they have no insurance or have inadequate insurance. Expanding Medicaid is also good for businesses and state economies. When working people have health insurance, they are more productive, take fewer sick days, and report fewer instances of disability. A healthier, more productive work force helps strengthen the businesses and industries we rely on in this state. Nebraska should join the other 32 states and Washington, D.C., that have expanded Medicaid. Changes in Medicaid should be motivated by the needs of the patient and not by politics. I'd like to thank Senator Morfeld and his wonderful staff for bringing LR281CA, and I ask the committee to advance it. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: Thank you. Senator Crawford. [LR281CA]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you, Mr. Hale, for being here and testifying. Does EMTALA require an emergency room or a hospital to provide chemotherapy for someone with cancer? [LR281CA]

ANDY HALE: I don't believe so. [LR281CA]

SENATOR CRAWFORD: So if someone shows up in the emergency room, you have to assess them but that is not a place where someone would get treatment for a chronic condition like cancer or diabetes. Is that correct? [LR281CA]

ANDY HALE: Correct. [LR281CA]

SENATOR CRAWFORD: Right. [LR281CA]

ANDY HALE: This would just be an emergency department stabilize and then would send them on. [LR281CA]

SENATOR CRAWFORD: Send them home. [LR281CA]

ANDY HALE: Correct. [LR281CA]

SENATOR CRAWFORD: Thank you. [LR281CA]

SENATOR RIEPE: It was a good point of clarification in terms of hospitals' requirement is to stabilize,... [LR281CA]

SENATOR CRAWFORD: Uh-huh. [LR281CA]

ANDY HALE: Uh-huh. [LR281CA]

SENATOR RIEPE: ...no more. [LR281CA]

SENATOR CRAWFORD: That's right. [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

ANDY HALE: Correct. [LR281CA]

SENATOR RIEPE: Now what they do is different I think charity-wise, but. [LR281CA]

ANDY HALE: Uh-huh. [LR281CA]

SENATOR RIEPE: Are there other questions from the committee? Seeing none, thank you very much. [LR281CA]

ANDY HALE: Thank you, Senator. [LR281CA]

SENATOR RIEPE: Additional proponents. If you'd be kind enough, please, to state your name, spell it, and then share with us the organization you represent, if you do, and go forward. [LR281CA]

JUDY KING: Thank you. My name is Judy King, J-u-d-y K-i-n-g, and I'm here because I and about three other ladies are taking care of a gentleman with cancer. And we're taking him to his appointments and we are footing his bill and next week he's going to be having surgery and we're working with the doctors in Omaha to help lower the bill for us. We just happened to meet this kid, no insurance, nobody is helping him. He was afraid to even go to the doctor, and we made him do that. I also have two friends with MS. And 90,000 people? I had no idea it was that high. Ninety thousand people are in the same situation as my friends with MS and this young gentleman that we're helping. This needs to be on the ballot. If it can't get out, if whoever here can't vote on it to get it expanded, then it needs to be put out to the people because there's...I am not the only one doing this. There's so many people out there that are helping deliver people to the doctor, doing all this stuff because there's nobody to help. There's no coverage and people are afraid to go to the doctor. Janet Brewer, former Governor of Arizona, and I live in Arizona, I live off and on in Arizona, was one that she's definitely a GOP conservative. And it's been stated as a significant victory for former Jan Brewer who came up with a plan to expand the state's Medicare (sic) program. Medicaid expansion honored the will of the voters, saved lives, prevented rural hospitals from closing, and preserved the Arizona economy, the former Governor said in a statement. I have a whole bunch of quotes here from different people: Pope Francis, Physicians for a National Health Program, American Medical Student Association, Amnesty International, United Methodist Church, U.S. Conference of Catholic Bishops, Franklin Delano Roosevelt. I mean we need to take care of these people. We need to put that on the ballot. [LR281CA]

SENATOR RIEPE: Okay. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

JUDY KING: Thank you. [LR281CA]

SENATOR RIEPE: Thank you. Let me see if there are any questions. Are there any from the committee? Seeing none, thank you very much for being here. Continuing on with proponents. If you'd be kind enough, please, to state your name, spell it, and then share the organization you represent, if you do, and to go forward. [LR281CA]

CAROL McSHANE: (Exhibit 16) Okay. Thank you. My name is Carol McShane, C-a-r-o-l M-c-S-h-a-n-e. I'm here representing Nebraskans for Peace, which is the oldest statewide peace and justice organization in the United States. We are 1,000 Nebraska households strong. I'm also a registered nurse. I've been in practice for 56 years and I have never seen healthcare so fragmented, so poorly shared, and so unjust. Have we forgotten entirely the concept of the common good? Today it is the norm in healthcare to do the most for the fewest. We work miracles for the few--transplants, gene therapy, joint replacement, yet we cannot find a way to give the poor amongst us simple blood pressure medication that costs pennies. In our larger cities we have magnificent new healthcare facilities. I call them palaces. We have pharmaceutical companies and medical equipment companies and insurance companies with a stranglehold on every budget, from the federal budget to the budget of the person somehow living at 133 percent of poverty. Nebraskans for Peace has supported each and every attempt made to bring Medicaid expansion to those who need it. It is time for this resolution. It is time for this constitutional amendment. It is time for the people of the state to say once and for all that each of us has a right to affordable healthcare. Despite the efforts of many current and former legislators, the Legislature and the Governor have failed to recognize that healthcare is a right. It is time. Thank you. [LR281CA]

SENATOR RIEPE: Thank you very much. Are there questions from the committee? Seeing none, thank you for being here. Additional proponents. Thank you, Sir. [LR281CA]

JAMES GODDARD: Good evening. [LR281CA]

SENATOR RIEPE: If you'd be kind enough to introduce yourself, spell it, obviously, for the record. [LR281CA]

JAMES GODDARD: I will. Thank you. My name is James Goddard, that's J-a-m-e-s G-o-d-d-a-r-d, and I'm the director of the Health Care Access Program at Nebraska Appleseed, here today to testify in support of LR281CA. And I was just sitting here this afternoon and evening just contemplating where we are with this debate, thinking this is the sixth time that we've had this before this committee. I was younger then, had fewer gray hairs, partially because of this issue (laughter), but in all... [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: I still have the same amount. [LR281CA]

JAMES GODDARD: ...in all seriousness, this the sixth time we've looked at this. [LR281CA]

SENATOR CRAWFORD: Yes. [LR281CA]

JAMES GODDARD: We've heard the pleas. We've heard the need year after year, 90,000 people asking to be given the opportunity to be healthy and productive, and it's not too much to ask. At this point, if the body won't act to solve this problem then the people should be able to. And I, for one, think that the people will make the right decision if given the chance. With that, I'll conclude and answer any questions if I can. [LR281CA]

SENATOR RIEPE: Thank you very much. Are there questions from the committee? Seeing none, thank you very much. [LR281CA]

JAMES GODDARD: Thank you. [LR281CA]

SENATOR RIEPE: Additional proponents. Are there any proponents? Is there anyone speaking in opposition? Rocky Thompson, you're up. Welcome back. [LR281CA]

ROCKY THOMPSON: (Exhibit 17) Good evening, Chairman Riepe and members of the Health and Human Services Committee. My name is Thomas "Rocky" Thompson, T-h-o-m-a-s R-o-c-k-y T-h-o-m-p-s-o-n, and I serve as the interim director of the Division of Medicaid and Long-Term Care in Department of Health and Human Services. I am here to testify in opposition to LR281CA, a legislative resolution proposing an amendment to the Nebraska Constitution mandating the Legislature to provide health insurance under the Medical Assistance Program and expand Medicaid eligibility to individuals under the age of 65 up to 133 percent of the federal poverty level. Specifically, this resolution would place a constitutional amendment on the ballot for the general election November 2018. I want to be clear that I'm not here to testify on the merits of a ballot initiative but on broader concerns with expanding Medicaid. The state's Medicaid program currently provides healthcare coverage to the most vulnerable in Nebraska: children, pregnant women, the elderly, and persons with disabilities. I have serious concerns with expansion of the program due to the large fiscal burden it would place on the state and diverting resources away from the truly needy. In 2000 Nebraska's Medicaid expenditures totaled \$983 million. Today expenditures are over \$2 billion. MLTC has worked to develop a reasonable estimate of the costs to expand Medicaid, as outlined in the resolution, using the data from our previous actuarial reports. Nebraska Medicaid estimates that the proposed expansion would cost the state over \$800 million in new state General Fund spending during its first ten years, adding

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

over 100,000 individuals to Medicaid or state support by June of 2029. The annual state share of the cost will rise to over \$80 million by 2023 and \$110 million annually by 2028. This cost does not include any provider rate increases to ensure access to individuals to services, further increasing the cost of the program. Now I said previously in November, Maine became the first state to expand Medicaid through a ballot initiative. However, I should point out that Maine still has significant funding issues which the state has not been able to solve. Governor LePage has indicated they are looking at cuts to state spending in other areas to pay for the expansion and they estimate a cost of \$50 to \$100 million annually. This avenue to Medicaid expansion is being proposed in other states, including Idaho and Utah, and they're having similar discussions. Regardless of how Medicaid is expanded, fiscal issues remain and must be addressed. Any expansion of the Medicaid program will have to be paid for and will require large state appropriations. This is coming at a time when agencies are right-sizing budgets in light of the state's fiscal situation and are focused on delivering more effective and efficient services already being provided to Nebraskans. I have additional concerns about expanding Medicaid at a time when the current federal administration has implemented changes to the Affordable Care Act. The administration has also indicated they are renew...reviewing potential further changes. There are also concerns with changes proposed by Congress to the Medicaid program, including how Medicaid is financed. Due to these fiscal concerns and uncertainties, I oppose LR281CA. Thank you for the opportunity to testify and I'm happy to answer any questions that you might have. [LR281CA]

SENATOR RIEPE: Okay. Thank you, Director Thompson. Senator Crawford. [LR281CA]

SENATOR CRAWFORD: Just full of questions today. (Laugh) [LR281CA]

SENATOR RIEPE: Curious. [LR281CA]

ROCKY THOMPSON: Well, I'm glad I'm here to answer them. [LR281CA]

SENATOR CRAWFORD: Thank you, Chairman Riepe. And thank you, Director, for being here today. In previous years one of...we've tried to think about ways to expand Medicaid in a "Nebraska" way. And some of those things have been having people maybe have skin in the game, having health incentives, trying to do things like a health savings account that would allow patients to gain dollars by healthy behaviors and practice being a consumer, so really doing things to try to improve personal responsibility in health. And some of those cases, some of the things that we wanted to try to do were not allowed by the federal government. At this point, with this administration, are they more or less open to those kinds of adjustments in a Medicaid expansion plan? [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

ROCKY THOMPSON: Thank you, Senator. I think that with some of the more recent 1115 waivers that have been approved, I think you have seen some more flexibility from the federal government about different avenues, like work requirements... [LR281CA]

SENATOR CRAWFORD: Right. [LR281CA]

ROCKY THOMPSON: ...and such for Medicaid recipients, especially those in that young...that adult category, the childless adult category. However, there's still that cost to actually provide coverage no matter what type of those minor flexibilities. Without wide-scale program changes, you'll still see that cost. [LR281CA]

SENATOR CRAWFORD: Okay. So thank you. Thank you. I do think we have added flexibility now, which I think is a new creative opportunity. So as I read your testimony, I want to make sure I'm getting this right. You're telling us that over ten...the next...the first ten years it would cost the state \$800 million in new state General Fund spending. Is that...am I reading that correct? [LR281CA]

ROCKY THOMPSON: That is correct. [LR281CA]

SENATOR CRAWFORD: Okay. So that means, if I'm doing math correctly, \$80 million per year average. I mean I know it changes over, but I mean just kind of...that we mean...when you mean \$800 million over ten years you mean over the whole time period. [LR281CA]

ROCKY THOMPSON: That is correct. [LR281CA]

SENATOR CRAWFORD: Yeah. [LR281CA]

ROCKY THOMPSON: And you had to realize also that with this bill we assume implementation of...implementation date in 2020. [LR281CA]

SENATOR CRAWFORD: Okay. [LR281CA]

ROCKY THOMPSON: Because that gives time to the Legislature to design whatever program that they would anticipate. And also in 2020 we... [LR281CA]

SENATOR CRAWFORD: And so are we stating that \$800...I'm sorry. [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

ROCKY THOMPSON: Well, also in 2020 it starts the 90/10 matching rate, so that's the lower rate, you know, for the first several years of the Medicaid expansion program. There is a higher Medicaid rate which that was factored in the fiscal note, and so that is also included. Now you're saying an average of \$80 million. That's true, but you also have the ramp-up period for the actual enrollment of the individuals. You have the changes to the capitation rate due to... [LR281CA]

SENATOR CRAWFORD: Right. [LR281CA]

ROCKY THOMPSON: ...medical inflation. [LR281CA]

SENATOR CRAWFORD: Right. [LR281CA]

ROCKY THOMPSON: So you have those factors also. [LR281CA]

SENATOR CRAWFORD: Right. And then it looks like you're estimating by 2023 we're kind of hitting that \$80 million, right? [LR281CA]

ROCKY THOMPSON: Right. We get closer to that full... [LR281CA]

SENATOR CRAWFORD: Yes. [LR281CA]

ROCKY THOMPSON: ...level of enrollment. [LR281CA]

SENATOR CRAWFORD: Okay. And that adds 100,000 individuals to Medicaid. So if my math...do you know what \$80 million divided by 100,000 is? [LR281CA]

ROCKY THOMPSON: I can't do the math. Also, the fiscal information that was provided to you has the average capitation rate that we assume for this population, but there's also additional administrative costs there. [LR281CA]

SENATOR CRAWFORD: Sure. [LR281CA]

ROCKY THOMPSON: There are system changes. Those kind of costs are also (inaudible). [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: But...yeah, and is that in this \$800 million? We're including those costs, right? [LR281CA]

ROCKY THOMPSON: That's correct. And also potential savings from shifting other programs that are matched less favorably by the federal government to this population. [LR281CA]

SENATOR CRAWFORD: To the...okay. So if I, I don't do math in my head very well either. If I used my calculator correctly on my phone, I came up with 80, so. [LR281CA]

ROCKY THOMPSON: I don't know if that's... [LR281CA]

SENATOR CRAWFORD: Eighty dollars. So 8...so, you know, this is homework. Everybody can do the math, and maybe I made a mistake: \$800 million divided by 100,000. I came up with 80. [LR281CA]

SENATOR LINEHAN: Eight hundred. [LR281CA]

SENATOR CRAWFORD: Eight hundred. Okay, even if it's 800... [LR281CA]

ROCKY THOMPSON: And that pretty much... [LR281CA]

SENATOR CRAWFORD: Maybe I didn't hit enough zeros. But even if it was 800... [LR281CA]

ROCKY THOMPSON: That pretty much matches, that pretty much matches the... [LR281CA]

SENATOR CRAWFORD: Eight hundred. [LR281CA]

ROCKY THOMPSON: ...capitation rates but also I probably would refer to Senator Williams. And you know he has that financial background and I would trust his numbers. [LR281CA]

SENATOR CRAWFORD: Right. Okay. Trust his math better than my math. Whether it's 80 or 800, that's... [LR281CA]

SENATOR WILLIAMS: She's the one that came up... [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: ...that's not...I would just say whether it's 80 or 800, that's for a person, like Amanda, being healthy. And so that math seems... [LR281CA]

ROCKY THOMPSON: Well, no, this is for health insurance coverage. It does not necessarily mean that individuals will use the coverage. [LR281CA]

SENATOR CRAWFORD: That's true. [LR281CA]

ROCKY THOMPSON: I should point that out. [LR281CA]

SENATOR CRAWFORD: That's true. Right. Thank you, Director. [LR281CA]

SENATOR RIEPE: Director, the number has been thrown around that the in-demand would be 90,000. Have other states found that their projections are even reasonably close? [LR281CA]

ROCKY THOMPSON: Thank you, Senator. The most recent information I've seen that it shows that states, they've estimated less than actually enrolled in the first few years. Now I think last week, with Senator Howard's bill, I mentioned that there are about 160,000 uninsured in the state of Nebraska. Now those, some of those might qualify for an expansion of the Medicaid program, some might have incomes that are greater and do not qualify. But states, in their estimates, have kind of low-balled that amount. [LR281CA]

SENATOR RIEPE: I talked at a conference to people from Arizona. Their enrollment came in four times what they had originally projected. They came out of the woodwork and a lot of people would drop their insurance or employers would drop them because they would be eligible if the employer didn't provide it. So... [LR281CA]

ROCKY THOMPSON: Well,... [LR281CA]

SENATOR RIEPE: ...the number went over the roof. [LR281CA]

ROCKY THOMPSON: And it's interesting, Senator, Arizona, you know has a more unique circumstance with the Governor because the Medicaid program in that state prior to the ACA expansion already covered individuals up to 100 percent of the federal poverty level. [LR281CA]

SENATOR RIEPE: Okay. Okay, other...? Senator Linehan. [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR LINEHAN: Thank you, Chairman Riepe. Can you, and you don't have to do it right now, but I wish explained to me, you make too much to be on Medicaid but not enough to get the tax credits. So what is that income bracket? [LR281CA]

ROCKY THOMPSON: Thank you, Senator. The Affordable Care Act said that states could expand to 133 and 138 percent of federal poverty level with a 5 percent disregard. And the exchange subsidies and premium assistance were available to individuals from 100 to 400 percent of the federal poverty level. So that is the gap that they talk about, from whatever the adult coverage is in the state to 100 percent, because subsidies are not available on the exchange below 100 percent. And... [LR281CA]

SENATOR LINEHAN: So what is, do you know, what's 100 percent of poverty level? They would have to make how much to... [LR281CA]

ROCKY THOMPSON: For an individual it's about \$12,800, I believe. [LR281CA]

SENATOR LINEHAN: So in a year they'd have to make \$12,800 to qualify for the exchange. [LR281CA]

ROCKY THOMPSON: The premium assistance on the exchange,... [LR281CA]

SENATOR LINEHAN: Okay. [LR281CA]

ROCKY THOMPSON: ...and the subsidies. [LR281CA]

SENATOR LINEHAN: Thank you very much. [LR281CA]

ROCKY THOMPSON: Thank you, Senator. [LR281CA]

SENATOR RIEPE: Okay. Did I see another hand? [LR281CA]

SENATOR CRAWFORD: Me. [LR281CA]

SENATOR RIEPE: Well, you usually use your right hand. Is there something going on?
(Laughter) [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR CRAWFORD: It's tired, so many questions today. [LR281CA]

SENATOR RIEPE: Well, Senator... [LR281CA]

SENATOR WILLIAMS: I broke it. (Laughter) [LR281CA]

SENATOR RIEPE: ...left or right... [LR281CA]

SENATOR WILLIAMS: And I'm going to. [LR281CA]

SENATOR CRAWFORD: I was going to ask a follow-up just to clarify a follow-up. [LR281CA]

SENATOR LINEHAN: We make just enough. [LR281CA]

SENATOR RIEPE: Go ahead. [LR281CA]

SENATOR CRAWFORD: Thank you. Thank you, Chairman Riepe. And thank you, Director. Just to clarify the...that's if it's a single person. If they have children or a larger family, it's a larger amount. [LR281CA]

ROCKY THOMPSON: That's correct. For a family of four, for example, 133 percent of the federal poverty level is about \$33,000. [LR281CA]

SENATOR CRAWFORD: Thirty-three thousand dollars. Okay. Thanks. [LR281CA]

ROCKY THOMPSON: Yes, ma'am. [LR281CA]

SENATOR CRAWFORD: Uh-huh. [LR281CA]

SENATOR RIEPE: Okay. Are there other questions? Seeing none, thank you so much for being here at this late hour. [LR281CA]

ROCKY THOMPSON: Thank you, Senator. [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR RIEPE: We appreciate it. Is there anyone else speaking in opposition? Seeing none, is there anyone speaking in a neutral capacity? Okay. If you'd be kind enough to introduce yourself, state your name, spell it, please, and tell us who you represent. [LR281CA]

ASHLEY FREVERT: (Exhibit 18) Good evening, Chairperson Riepe and committee members. My name is Ashley Frevert, that's A-s-h-l-e-y F-r-e-v-e-r-t, and I am the executive director of Community Action of Nebraska. Our mission is to alleviate poverty by enhancing program development, providing technical assistance, and advocating to support all community action agencies in Nebraska. We are the state association for the state's nine community action agencies who are present in every county. Community Action of Nebraska is one of the two grantees awarded a federal navigator grant in the state. Our in-person assisters, called navigators, are licensed by the Nebraska Department of Insurance and certified to provide unbiased assistance to anyone wanting to learn about the Affordable Care Act, the federal health insurance marketplace, and health insurance in general. We also have navigators educating and providing application assistance for Nebraska Medicaid. Before I became the executive director of Community Action of Nebraska I was a navigator for one of the nine community action agencies from October 2013, so immediately when the marketplace started, until November of 2017. And the reason why it was until November 2017 is because with the reduction in funding my agency exhausted all of their funding, so I had to transition out. During my four years working as a navigator, I fielded multiple calls, e-mails, and in-person questions about why some people couldn't enroll in a plan through the marketplace and why they also didn't qualify for Nebraska Medicaid. I am here today with the unique perspective as a firsthand witness to the moment individuals and families were informed they fell into a Medicaid gap. One of my first encounters with someone in the Medicaid gap was barely into my first year as a navigator. She was young and was told by a friend to contact me. Word of mouth was, and still is, the best way to get information to the public. As usual, I wanted to meet with her in person, so I traveled to the town in which she lived. Where I'm...where I was located, we covered 14 counties so sometimes I had to travel two hours to see one person for a couple hours. My normal routine was to spend at least a couple hours with someone, getting to know their situation so that I had a better idea how they might qualify for financial assistance with a health plan. This woman--let's call her Jane to protect her identity--was in a car accident a couple of years prior to our meeting and was experiencing mental health problems as well as financial difficulties. She had been battling for approval for Social Security Disability Income, SSDI, with no success and was in need of her medication. Jane had lost her job due to her mental health condition and couldn't afford the medication she needed without health insurance, nor could she return to work without her medication. She would be facing a utility shutoff if she didn't receive income soon. Because she had no income, Jane didn't qualify for subsidized health insurance through the marketplace. Since she wasn't deemed disabled by the government, she didn't qualify for Medicaid in Nebraska. Jane was placed into a spot she didn't choose to be in, and one cannot argue a person chooses to have a debilitating mental health condition. We are all quite aware of the stigma around asking for state

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

help and it is unfortunate, considering the progress we've made as a society, that the stigma continues. Jane was ashamed to be asking me for the help she needed, and I will never forget feeling helpless when I had to inform her she was ineligible for both programs. The lives of Nebraskans in this situation are important. Navigators are oftentimes the bearer of bad news, so we attempt to provide resources and referrals as much as possible. Unfortunately, those attempts don't always lead to success. It is times like these that we wish to give a solution but end up feeling helpless with aching hearts for those we serve, and I cannot tell you how much that hurt me to tell that person this. If many working people with low incomes continue to have no way to get health coverage, tragic stories like this will continue to happen and that will shatter their lives, hurt their families, harm our communities. Expanding Medicaid could help many people like Jane get the care they need to put their lives back together and, in many cases, save their lives altogether. The promise of Community Action is that we change people's lives, embody the spirit of hope, improve communities, and make America a better place to live. We care about the entire community and we are dedicated to helping people help themselves and each other, so we're all about self-sufficiency. Thank you for your time and I welcome any questions.
[LR281CA]

SENATOR RIEPE: Okay. Thank you very much. Are there any questions from the committee? Seeing none, thank you very much. [LR281CA]

ASHLEY FREVERT: Thank you. [LR281CA]

SENATOR RIEPE: Is there anyone else testifying in a neutral capacity? Seeing none, we'll read in letters and then we'll afford Senator Morfeld an opportunity to close. But first, so that he has the benefit of knowing the letters... [LR281CA]

TYLER MAHOOD: (Exhibits 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37) Okay, the following are in support: Danielle Conrad of the ACLU of Nebraska; Don Zebolsky on behalf of himself; Kevin Cluskey on behalf of Friends of Public Health in Nebraska; Heather Welch on behalf of herself; Dr. Jason Helvey on behalf of himself; Jennifer Smith on behalf of herself; Joan Rouse on behalf of herself; Jennifer Brinkman on behalf of the Lancaster County Board of Commissioners; Craig Strong on behalf of the Lincoln-Lancaster County Health Department; Linda Ohri on behalf of herself; Nick Faustman on behalf of the American Cancer Society Cancer Action Network; Julia Tse on behalf of the Voices for Children in Nebraska; Matt Keppler on behalf of March of Dimes; Wendy Patterson on behalf of the National Association of Social Workers-Nebraska Chapter; Byron Line on behalf of the Nebraska Democratic Party's Veterans and Military Families Caucus; Nicholette Seigfreid on behalf of herself; and Marc Brennan on behalf of the Nebraska Speech-Language-Hearing

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

Association. And the two letters in opposition are: Doug Kagan on behalf of the Nebraska Taxpayers for Freedom; and Kathy Wilmot on behalf of herself. [LR281CA]

SENATOR RIEPE: Thank you. Anyone that's had to read names off at a graduation can appreciate the hard job that Tyler has, so thank you for that. Senator, welcome back and you're welcome to close. [LR281CA]

SENATOR MORFELD: Thank you, Chairman Riepe. Members of the committee, I thought we were close to consent calendar there, but unfortunately we had somebody at the last minute, so. (Laughter) [LR281CA]

SENATOR RIEPE: You have a sense of humor. [LR281CA]

SENATOR MORFELD: Yeah. And we couldn't invite the Pope and FDR was also unavailable, but I'm sure that they would be in support as well. I, you know, joking aside, I can't help but notice the sick irony of the only individual in the agency that came to testify in opposition in person is the agency that's charged with the care of our most vulnerable Nebraskans, and they would testify in opposition to a bill, year after year, without any solutions...on a bill that would cover 90,000 Nebraskans, 75 percent of which are working, who simply just want to have affordable healthcare. And I think that, you know, for me, I don't fall in the coverage gap and maybe at one point in my life I would have, but I'll tell you that, you know, to a certain extent it is somewhat personal in the sense that, you know, my father...my step-father had an unexpected medical event before the Affordable Care Act was enacted and some of the preexisting conditions were protected. And my mother and my step-father will never retire. They will work until the day they die because he had an unexpected heart attack. It wasn't covered by insurance. At the time they were in an in-between period with his job. And they will work until the day they die. And they're the fortunate ones. They're the lucky ones. They didn't lose their house. They had a 401(k) that they could liquidate to cover some of the costs. But in the end they will work until the day they die. And it's hard for me to listen to that opposition, year after year, without the context of knowing that they are not providing any solutions. If there is a solution that we can somehow come up with, and we have tried year after year--not we, I'd say the royal "we." I've only been here for four years and many have tried before me. We have tried to carve out exceptions, exemptions. I even think that we looked at work requirements one year. I don't know if that made it into a bill or not. But the bottom line is that I keep hearing each year, after this bill fails, that we're going to come up with some kind of solution, we're going to hear some kind of solution; and we don't. And you know, the silence just isn't deafening, it's also deadly. It's deadly for a lot of people in our districts. And I want to highlight some of that. From the 24th District, which I think is Senator Kolterman's, 995 people fall within the gap; from the 9th District, Senator Howard's district, 2,726 people fall in the gap. And I'm going to read these off and I

know that...I know what late nights are like. I'm on Education with (laugh) Senator Linehan and on Judiciary too, but I think it's important to give a voice to these numbers and these people. From the 47th District, Senator Erdman's district, 1,797 people fall within the Medicaid gap; from the 12th District, Senator Riepe's district, 2,024 Nebraskans; from the 45th District, Senator Crawford's district, 1,701; from the 36th District, 1,869; from the 39th District, 643. These are all people that deserve the ability to have affordable healthcare. They deserve access to affordable healthcare. They deserve the opportunity to not be living from paycheck to paycheck in fear that they might have an unexpected medical event. It not only means a great deal to them and their ability to retire and spend quality time with their grandkids, hopefully, but it also means a great deal to our economy in our state. And I just think that it's so important to note that right now we're already paying for the consequences of not expanding Medicaid. Right now our counties are paying millions of dollars in General Fund dollars, which are property tax dollars, let's face it, for the most part property tax dollars that otherwise could be going to property tax relief or other initiatives, such as making sure the bridge doesn't fall when you cross it in your minivan or making sure that we have other infrastructure needs that are met. Also, I look at this, eyes wide open, in terms of an employer. I have 20 full-time employees, all that receive healthcare, and our costs keep going up. And the bottom line is in states that have expanded Medicaid the uncompensated care costs are much lower. And so our personal premiums, either whether you're a business owner or a nonprofit executive or whatever the case may be, our premiums are lower and we can invest our dollars in other strategic initiatives, whether for profit or nonprofit. And so we're already paying for this, but we're paying for it in a really inefficient way. And we're also paying for it in a way that impacts people's lives, and some people pay with their own lives for it. And so this is an issue that we have to address and, if we're not going to address it as a body, in terms of actually enacting it, then I think that we need to allow Nebraskans to decide for themselves whether we, as a state, want to make sure that everyone has the opportunity to have access to affordable healthcare. And I'm happy to answer any questions and provide any context, any thoughts, or not answer any questions at all. I'll also speak on behalf of the Pope (laughter) and maybe FDR. [LR281CA]

SENATOR WILLIAMS: I want to hear FDR. [LR281CA]

SENATOR RIEPE: I think it's the billion-dollar question. That's been the obstacle all along. The question that I have, have you seen or have you conducted any polling surveys to get some feel for how the probability...I always look for the probability of success. [LR281CA]

SENATOR MORFELD: Uh-huh. [LR281CA]

SENATOR RIEPE: You haven't...have you done any of that yet? [LR281CA]

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Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR MORFELD: I have not done it personally. I've seen polls. I can't comment on those polls because they're confidential. But I will tell you that I feel very confident that, if this is put before the people, that the people will overwhelmingly pass this, whether they're Republican, Democrat, or anything between. And I can tell you that with confidence. [LR281CA]

SENATOR RIEPE: Have you see any states that have managed to (inaudible)? I mean what have other states done in terms of like we're talking in Maine. Maine, as the Governor there is saying, he's going to have to, to come up with his billion dollars, he's going to have to take money away from either roads or education or something. Or how much...how much tax will the taxpayer sustain? Those are all, to me, just interesting questions. [LR281CA]

SENATOR MORFELD: Yeah. [LR281CA]

SENATOR RIEPE: I don't really have answers. I just...it's going to be...it would really, given our tax situation currently,... [LR281CA]

SENATOR MORFELD: Certainly. [LR281CA]

SENATOR RIEPE: ...certainly makes it less appealing maybe to serve in this body, but. [LR281CA]

SENATOR MORFELD: Well, and I think, Senator, you know, we've come up with a whole host of reasons even when times were good, when we had extra money, not to expand Medicaid and... [LR281CA]

SENATOR RIEPE: Was there ever a time we had extra money? [LR281CA]

SENATOR MORFELD: There was actually. Yeah, there was. [LR281CA]

SENATOR RIEPE: I must have missed it. [LR281CA]

SENATOR MORFELD: I think, I think Senator Crawford and Senator Howard were around. I don't think anybody else was around. Well, our first two years actually, yeah. [LR281CA]

SENATOR HOWARD: Yeah. So... [LR281CA]

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Health and Human Services Committee
February 21, 2018

SENATOR MORFELD: I mean but, you know, every year we'd come up with new excuses. The question of how do we pay for it, Senator, is a legitimate question; it's one I respect. I get that. The bottom line is when we make priorities as a state, we find the money for it. Whether we do it with tax incentives to attract businesses or keep businesses here or whether we decide that we need to invest more money in infrastructure and roads though sales tax. So the bottom line is right now we, as a state, I don't think we can afford not to expand Medicaid because the problem is only going to continue to get worse. And as people continue not to have preventative care, that only creates the exponential problems of people going to the ER for, you know, for other medical services. So I have confidence that, once the voters pass this into law or into our constitution, that we will find the resources and those are resources that will be well spent and they will pay dividends in the future. [LR281CA]

SENATOR RIEPE: Okay. The hour is late. We appreciate very much your bringing forth this legislative piece. And with that, unless there are additional questions from the committee,... [LR281CA]

SENATOR MORFELD: Don't push it out of committee too quick. I know you guys are going straight in Exec and...thank you very much. [LR281CA]

SENATOR RIEPE: Thank you. That concludes LR...the hearing on LR281CA. Thank you all very much. And we are... [LR281CA]