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Appropriations Committee February 11, 2020

Agency 25

Rough Draft

GARY ANTHONE: Good afternoon. Chairman Stinner and members of the Appropriations Committee, I'm Gary Anthone, A-n-- G-a-r-y A-n-t-h-o-n-e, and I serve as Chief Medical Officer and director of the Division of Public Health for the Department of Health and Human Services. I began this position on September 3, 2019. I'm joined today by fellow department leadership, Mark LaBouchardierere, facilities director, and Steve Greene, division deputy director of Children and Family Services. It's an honor to work with CEO Dannette Smith and the team at DHHS. I have been welcomed into the department by a kind, talented, and passionate staff. The Division of Public Health impacts the life of every Nebraskan by: ensuring clean air and water; lessening disease; promoting healthy schools, communities, and workplaces; ensuring quality care at safe healthcare facilities; and preparing for and responding to natural disasters and public health emergencies. The budget proposed by Governor Ricketts will enable us to continue to prioritize efficient, effective, and customer-focused state government. In 2019, the current vendor of the department's Licensure Information System, LIS, notified the department of the end of system support in June of 2020. I'd like to thank the Appropriations Committee for including the Governor's recommendation to increase cash spending authority, end Program 178, to aid in the replacement of the LIS, which is essential to the continued success of our licensing activities. The agency requested a number of features in the RFP [PHONETIC] for the new system that will increase efficiently-- efficiency and be more customer-focused. Included among these are the ability to apply for both initial and renewal licensure online, including required documentation submission and payment. This will encompass healthcare professions and occupations, healthcare facilities, and childcare entities. Prospective licensees will be able to establish customer accounts, allowing them to log in to track the status of their applications, including information on any missing documents they may need to submit. Other new features will serve to protect the public, including secure transmission of confidential documents to allow boards to conduct paperless disciplinary proceedings. Additionally, this new system will allow for online lookup of all disciplinary action for healthcare facilities and childcare services, a feature currently only available for healthcare professions and occupations. These improvements will ensure the healthcare professionals we licensed each year are able to get their credentials and get to work in a timely manner. We will, we will be

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able to make sure that both initial and renewal applications are simplified, screening processes are streamlined, and we'll be able to issue licenses with a, a shorter turnaround time. The Division of Public Health will continue to build and strengthen our relationships, both within the department and with our external partners in the coming year. I am excited and honored to be part of CEO Smith's team and to lead the Division of Public Health into the future. I would once again like to thank the Appropriations Committee for including the Governor's recommendation to fund the replacement Licensure Information System. Thank you for your time, and I'm happy to answer any questions you may have.

STINNER: Questions? Seeing none, thank you.

GARY ANTHONE: Thank you.

STINNER: Afternoon.

STEVE GREENE: Good afternoon. Good afternoon, Chairman Stinner and members of the Appropriation Committee. My name is Steve Greene; that's S-t-e-v-e G-r-e-e-n-e, and I'm a deputy director of the Division of Children and Family Services within the Department of Health and Human Services here in the state of Nebraska. The Division of Children and Family Serves Services has the fortunate opportunity to serve thousands of Nebraskan children, families-- our children and families-- every day. The Division of Children and Family Services includes: child welfare; adult protective services; economic support programs; and child support enforcement. The Governor's budget recommendations, supported by the Appropriation Committee, includes requests for the following four item, items that I would like to highlight for the midbiennium. At the end of 2019, the department successfully transitioned child welfare case management providers in the Nebraska Eastern Service Area. The child welfare services for the ESA were competitively bid under the statutorily required state RFP process in the spring of 2019. The awarded proposal contained expenditure estimates, which were lower than the existing contract levels. As a result, the new ESA contract is anticipated to save \$6 million of general funds in the fiscal year 2020, and \$27 of general funds in fiscal year 2021, for Program 354. The increase in Child Abuse Prevention Fund spending authority would utilize current available revenues and balances. No new revenues or funding sources are being requested. Additional spending authority of the existing

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cash fund balance will facilitate current child abuse prevention program goals focused on reducing child abuse and neglect in Nebraska, including: outreach efforts; education; public awareness; and other child abuse prevention initiatives. Revenues for the Homeless Shelter Assistance Cash [SIC] Fund with Program 347 are currently exceeding the fund's existing spending authority. An increase in spending authority would utilize current available revenues and balances. No new revenues of funding sources are being requested and will increase assistance available for the state homeless shelters. The committee's preliminary budget recommendation has a cash authority increase of \$350,000 in fiscal year '20, and \$560,000 in fiscal year 2021, a difference of an additional two hundred ten thousand in fiscal year 2021 when compared to the Governor's budget recommendation. The department supports the Governor's recommendation-- recommended cash authority increase of \$350,000 in each fiscal year to align with the fund's revenue and available cash balance. The department also identified \$4 million in general funds available for reduction from Program 347 Public Assistance aid. Program 347 has historically underspent its general fund to federal fund ratio when Program 354 Child Welfare aid was split out as a separate budget program in fiscal year 2013. This reduction in general funds aligns with appropriations to historical spending levels, and will not affect total fund expenditures. In conclusion, the division supports the Governor's budget recommendation, which provides CFS with the resources necessary to continue its ability to serve thousands of Nebraska-- of Nebraska children and families every day. I would like to thank the Appropriation Committee, Committee for this time and would be happy to answer any questions you may have.

STINNER: Questions? Senator Dorn.

DORN: Well, thank you, Chairman Stinner. And thank you for coming here. Just could you give us a quick update a little bit on the, the eastern, the new Eastern Service Area contract?

STEVE GREENE: Sure.

DORN: We, you know-- the bidding process was out there.

STEVE GREENE: Yep.

DORN: And since and we've heard comments, or that--

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STEVE GREENE: Um-hum.

DORN: they've come back, request more or-- where are we at on that?

STEVE GREENE: Yeah. So as of January 1, 2020, St. Francis Ministries has assumed as the case management provider in the Eastern Service Area. We had, starting in, in July, a transition process that we executed in tandem with both St. Francis Ministries and, at the time, PromiseShip. And so in October, they started-- we started to shift cases gradually after, after they completed a readiness assessment-- or part of a readiness assessment, I should say-- and then completed case transfer at the end of the year. So as of now, St. Francis Ministries has now assumed the case management and is providing services, similar to what PromiseShip was providing. And it's important just to point out that the service levels, the, the expenditures for service levels wasn't-- there wasn't a change in the amount that we're paying in the contract for services provided both with PromiseShip and with St. Francis.

DORN: Thank you.

STEVE GREENE: Um-hum.

STINNER: Senator Wishart .

WISHART: Thank you for being here.

STEVE GREENE: Yeah, thank you.

WISHART: My understanding with what happened between St. Francis and the PromiseShip--

STEVE GREENE: Um-hum.

WISHART: --sort of bid and exchange was that St. Francis came in, in their original bid, with an under, underbidding due to them not being aware of the amount of the statutory requirement for caseloads. And when they-- and correct me if I'm wrong in this--

STEVE GREENE: Right.

WISHART: --I've-- this is just my understanding with this.

STEVE GREENE: Um-hum.

WISHART: So then they amended their bid to reflect what our statutory requirement is for caseloads and the amount of money that it would cost for them to provide the services with that new understanding. We denied that amendment, and so we're moving forward with the original bid that St. Francis gave to us. But I just want to be clear with the department. We're going to uphold the statutory requirements for caseloads. So how are we going to-- how is St. Francis gonna make that work?

STEVE GREENE: Yeah. So that's a, that's a a fair and a great question. So one thing that I would point out is that we have a contract oversight team that's made up of different-- so two deputies within the department or the division, both for finance and then also our CQI, our continuous quality improvement, because that's the natural question is: How are we going to maintain the services-- the service level that was-- so there's a continuity of care? Within the contract itself, there are a lot of performance measures that, that we tied to our federal indicators for reporting, which is there's, I think, 23 different performance indicators. And then there's also related to case ratios, and staff turnover, and just general, sort of in that, in that sphere of day, day-to-day operation that we're monitoring. And so it's not just a single person; it's a group that internally meets quarterly to review data and outcomes that St. Francis is providing us, but also working with St. Francis to make sure that they're meeting the expectations that they signed up for. Does that make--

WISHART: Yeah.

STEVE GREENE: Is that helpful?

WISHART: Yeah.

STEVE GREENE: OK.

WISHART: Yeah.

STINNER: Senator Bolz.

BOLZ: Thank you, Senator Dorn and Senator Wishart. I have a couple questions along the same lines. Just to put a finer point on what Senator Wishart was asking, is the Eastern Service Area currently in

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full compliance with all of the statutory caseload ratios at the moment?

STEVE GREENE: I generally do not know that answer, but I will find out and get back to you today.

BOLZ: OK. I'd appreciate that if you could give us a status update, because there are different cases and I know you know this,--

STEVE GREENE: Right.

BOLZ: --but just so the committee knows what I'm asking for.

STEVE GREENE: Um-hum.

BOLZ: There are different caseload ratios for different types of cases at different points in time. And I think it's very important that, that as we bring on a new lead agency, they are in full compliance.

STEVE GREENE: Right.

BOLZ: And part of the reason that's an appropriate question for the Appropriations Committee is, what was publicly reported was that there was concern by St., expressed by St. Francis, at least as reported in the newspaper--

STEVE GREENE: Um-hum.

BOLZ: -- that in order to fully comply with the caseload ratios, there would be an additional \$15 million expenditure.

STEVE GREENE: Right.

BOLZ: And so I think some of those issues have been sorted out,--

STEVE GREENE: Um-hum.

BOLZ: --but if they have not, that certainly needs to be on the radar screen--

STEVE GREENE: Yeah.

BOLZ: of the Appropriations Committee. So I appreciate that follow up.

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STEVE GREENE: Yep.

BOLZ: I, I have a couple of other questions along the same lines.

STEVE GREENE: Sure.

BOLZ: You and I have already had some conversation and exchange about the readiness assessment.

STEVE GREENE: Right.

BOLZ: So, of course, our statute requires that, if we transition to a new lead agency, that agency has to be ready to take on the responsibility of our children in the child welfare system. Letters and communication that I received last fall--

STEVE GREENE: Um-hum.

BOLZ: --showed that when cases began to transfer, parts of the readiness assessment were fully complete and other parts were in process.

STEVE GREENE: Right.

BOLZ: Have we reached full readiness? Are all of--

STEVE GREENE: Yes,

BOLZ: --those indicators a, a complete green light?

STEVE GREENE: They are. And I will point to the public website.

BOLZ: Um-hum.

STEVE GREENE: And so on December 30th of 2019, we actually updated our ready, our readiness assessment to show that we had fully completed the readiness assessment that we had provided for St. Francis to [INAUDIBLE].

BOLZ: Um-hum.

STEVE GREENE: So yes.

BOLZ: And just to, just to make sure I am--

STEVE GREENE: Yep.

BOLZ: asking my question--

STEVE GREENE: OK.

BOLZ: --with appropriate specificity,--

STEVE GREENE: OK.

BOLZ: --In previous discussions, there has been a distinction made between completing a readiness assessment--

STEVE GREENE: Um-hum.

BOLZ: --and the lead agency articulating your assessment through-- let me be more clear. Completing a readiness assessment is one thing; being fully ready is another. So it's like taking a test.

STEVE GREENE: Yes.

BOLZ: You can say, yes, I took this test, but you might get a grade of 50 percent or 75 percent or 100 percent.

STEVE GREENE: Right.

BOLZ: Are, are-- has the lead agency been assessed to be fully ready?

STEVE GREENE: Yes. And what I would say is, in-- within the readiness assessment, there-- it isn't just a, a rubber stamp approval. So for instance, for an example,--one example that was provided is a disaster plan that, that St. Francis Ministries had to provide when, sort of like when we complete an implementation plan for our federal partners, we will say, hey, this is what we want to-- this is how we want to proceed. Does this meet your requirements? And they can say, no, here's what you need to do in order to be in compliance with that, that requirement and readiness assessment. That was similar to what St. Francis-- what we used with St. Francis. And so again, they have completed the readiness assessment. And I don't know if it's, it's a grade A, B or C. It's, it's a pass/fail, and they have passed all the requirements for readiness,

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BOLZ: if you wouldn't mind, I'd, I'd appreciate, just just for my knowledge--

STEVE GREENE: Yep.

BOLZ: --and the committee's knowledge, if you could provide us a current status sheet at the matrix that you've been--

STEVE GREENE: Yep.

BOLZ: --working on. And just for the committee's understanding, the reason that is relevant to the Appropriations Committee is that their assessments of financial readiness, do they have, you know, appropriate financial resources--

STEVE GREENE: Um-hum.

BOLZ: --should something happen in the future? It's not just a readiness assessment about staffing or training.

STEVE GREENE: Right.

BOLZ: It's also a financial--

STEVE GREENE: Yep.

BOLZ: --readiness assessment. OK. I'd appreciate that. A couple more questions, if you don't mind, Chairman. One is another issue that has come, come to my office. An issue of concern is that the contractors working with St. Francis were working-- or were waiting for contracts for a period of time. And so because that's a couple of steps removed from the Appropriations Committee,--

STEVE GREENE: Um-hum.

BOLZ: --but of course, state funds, have all of those-- have all those contracts got signed on the dotted line? Is anybody still waiting to?

STEVE GREENE: Not that, not that I'm aware of, but I am not the, the contract monitor and-- for, for the providers. So I apologize. Not to my awareness, but, but I, I would give you an incomplete answer, so--

BOLZ: Um-hum.

STEVE GREENE: --ad I apologize that I can't say with certainty, but I'm not aware of that,--

BOLZ: Sure.

STEVE GREENE: of anybody waiting.

BOLZ: If you can provide us that assurance, that would be--

STEVE GREENE: Um-hum.

BOLZ: --helpful. A related question that is maybe just a little bit out of the Appropriations Committee's wheelhouse but, nonetheless, relevant, is a concern-- a specific concern was brought to me that some of those contractors were placing children in, in facilities that were not foster care licensed beds.

STEVE GREENE: Um-hum.

BOLZ: Are you aware that any child welfare, any children in our child welfare system have been placed in facilities that were not child welfare licensed beds in the Eastern Service Area??

STEVE GREENE: I would have to know specifically what you're referring to. I --that specific concern has not been brought to my attention. So that would be a new concern, and I would need to know specifics to that case.

BOLZ: OK. Well, I'll, I'll bring that--

STEVE GREENE: OK.

BOLZ: --concern to you--

STEVE GREENE: OK.

BOLZ: --and let you, let you run your chops--

STEVE GREENE: OK.

BOLZ: --with it. The reason I think it's relevant to this conversation is, if, if we are not able to establish the contracts with the services that are appropriately licensed,--

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STEVE GREENE: Right.

BOLZ: --then we're not ready.

STEVE GREENE: Right.

BOLZ: And the transition-- it's an indicator of whether or not the--

STEVE GREENE: Yeah.

BOLZ: --transition is working.

STEVE GREENE: No, I'd-- please let me know the specifics and I-- I'll be happy to follow up.

BOLZ: OK. My, my last question related to child welfare is, I requested some information a while back and received a, a little bit of information about TANF rainy day funds--

STEVE GREENE: Yes.

BOLZ: --and the department's proposed use for those funds. One of those proposed uses is TANF supportive services and work supports for Child Welfare families.

STEVE GREENE: Um-hum.

BOLZ: Can you tell me more about that? Is that just the Eastern Service area? Is that across the state? What purpose is that serving?

STEVE GREENE: So the information that we provided, in my understanding, the, the question is the information that we provided back was related to-- was our plan, with some of the TANF, the TANF carryover or the TANF spend plan. Is that correct, If I'm following?

BOLZ: Um-hum, yeah.

STEVE GREENE: So one thing that we want to do, so something that I enjoy talking about is Temporary Assistance for Needy Families, which is a block grant. And each state gets allotted a certain amount, and is given general flexibility on how you can operate those programs. And there's four purposes of TANF. The first two are means tested. Purpose three and four are more, sort of, philosophically, like for instance, reducing the instances of out-of-wedlock births,

reducing--or the creation of two-parent homes. One thing that we've wanted to do, sort as a division in a department in light of Family First, which I know is something that we both share that enthusiasm for, is getting in sort of the front end of prevention services or front, frontline prevention services. And I'm going off a little bit on a tangent, to set up the answer, is-- how can we help families before they come in contact with the child welfare system? Obviously, as you all have heard about this, once a child is removed from a home, it can be very traumatic, as you heard from the child advocacy centers earlier, just the trauma it's inflicted in those homes. Sometimes there could be a-- there's a whole host of crisis-- or situations that could lead a family coming into contact with our system. And so an emergency assistance was going-- the plan was to be state, statewide, not specific to a certain area, but that, if a family met certain criteria, because that's the-- the trick with TANF is that we have to adhere to all the federal rules and regulations that guide how we use TANF dollars, but we want to use it specifically for families that would be eligible for a TANF program for emergency assistance, specifically. So something like a concrete support-- maybe it's a tire that needs to be replaced because they're having trouble getting to work, and so we want to support that. Anything that we can do within the specific guidelines of this, sort of the spending rules and regs, we want to provide for those families as supports. I don't know if that answered your question, but we want to make it a statewide program, and we're really excited about this because this is a new opportunity for us as a, as a division.

BOLZ: Um-hum. And the reason I bring it up in this committee is that the committee might get tired of me talking about how things have changed over my eight years. So I ask for your patience. But we've, we've had a lot of volatility in the child welfare system. We had contract negotiations that were significantly more than we expected. We had to integrate that at the last minute. We had back bills that we had to pay to avoid fines and penalties. And so if, if the TANF rainy day funds are necessary to supplement what we're doing in the child welfare system, whether it's Families First or the lead agency contract or just shoring up the program overall, I think this committee needs to understand that it may be appropriate.

STEVE GREENE: Um-hum.

BOLZ: It may even be beneficial. But if it is part of our overall picture for funding and stabilizing the child welfare system, we need to have that conversation. When we're talking about big numbers like \$27 million less--

STEVE GREENE: Yeah.

BOLZ: --than previously contracted, that communication and that discussion helps us make better decisions. So I would appreciate more, more details and more conversation--

STEVE GREENE: OK.

BOLZ: --about the use of the TANF funds and how they intersect with the child welfare system.

STEVE GREENE: OK. Thank you.

BOLZ: Thank you.

STINNER: Senator Clements.

CLEMENTS: Thank you, Senator-- Chairman-- Mr. Chairman-- excuse me. All right. Thank you for being here. And the question-- well, you know, this is just the Eastern Service Area, \$200 million worth of funds. And I was just wondering if you'd tell me how many wards of the state-- statewide-- are you aware of for the latest report?

STEVE GREENE: That is a really good question, and I have all these different stats in my, in my bullet point, and that is one of the, one of, one stat that I don't have. I believe it's approximately if you-- so there's, there's different ways that we count it, but I think it's approximately-- let me get back to you, if you don't mind. I'm sorry, I should have that number in my head and--

CLEMENTS: It's 4,000 or more, isn't it?

STEVE GREENE: Yeah. Okay. Yeah, yes. It's north of 4,000, but I don't know the exact number. And that's embarrassing that I actually don't have that exact number with me. So I apologize.

CLEMENTS: Can you speak to what the trend has been in the last year or two,--

STEVE GREENE: Yeah.

CLEMENTS: --those numbers?

STEVE GREENE: Yeah. So over the last several years we've seen a decrease in the amount of kids that are in foster care. In part, Nebraska has seen themselves as a leader nationally in not only being one of the first states to implement what's called the Family First Prevention Services Act-- it was part of the, I believe, 2018 appropriation bill signed by the President, in which new dollars could be-- typically, when a child was removed and we got federal reimbursements, it was after a kid was placed into foster care. And what Families First is doing, is it's saying we will allow you to use federal dollars that would typically be reserved for once kids have been removed into foster care for prevention, certain prevention services. So how can we help strengthen that family prior to coming into the child welfare system? And as a shift as a state, we really started to-- there was, there were several different factors that were going that had been going on. One, for instance, is Alternative Response, which is a bill actually Senator Crawford introduced in Health and Human Services, to continue that program in which we work with families collaboratively. And we've been doing that for several, several years to help mitigate the chances of them coming into the child welfare system. Another emphasis has just been on prevention services as a whole. We want to be providing prevention services for families so that they can, they can [INAUDIBLE] in the home. And then another one, that I would be remiss if I didn't say this, is that we've really doubled our efforts with community collaboratives. So I don't know if you're familiar with Bring Up Nebraska, but it's a-- sort of a local community prevention program that we work with individual cities around the state to really help those communities identify how can they have, get the resources that would help a family, so that families not being-- is not coming in the child welfare system because of, of poverty or neglect, but that they can get those concrete support in those local communities. So there's a lot of different factors that are driving that number, but it's-- I think it's just a better partnership across the state with communities is, is part of it.

CLEMENTS: All right. Thank you. I would be-- appreciate an email, maybe, of the--

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STEVE GREENE: Um-hum.

CLEMENTS: --those total numbers--

STEVE GREENE: Yep.

CLEMENTS: --the last three years.

STEVE GREENE: OK.

STINNER: Additional questions? Senator Vargas.

VARGAS: Thank you very much for being here.

STEVE GREENE: Thank you.

VARGAS: I just had a question about-- give you an opportunity to talk a little bit about the Homeless Shelter Assistance--

STEVE GREENE: Yeah.

VARGAS: --cash authority.

STEVE GREENE: Yes.

VARGAS: It's a little intricate here because it seems like you're disagreeing or-- with, with our preliminary budget recommendation,--

STEVE GREENE: Um-hum.

VARGAS: --compared to the Governor's recommendation. I wanted to give you the opportunity to explain why--

STEVE GREENE: Hmm.

VARGAS: --and then also just talk a little, historically, about the spending cash authority--

STEVE GREENE: Yep.

VARGAS: and what we've spent on the programs--

STEVE GREENE: Yep.

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VARGAS: --on what the need is.

STEVE GREENE: Um-hum. So there-- so the Homeless Shelter Assistance Cash [SIC] Fund is-- they get really specific for-- 25 cents for every \$1,000 that's spent on a home purchase or real estate, it goes into this fund. And we have historically had-- need, need to take a step back-- so that fund has existed for-- I found out just talking to somebody else-- for a few decades and has provided, just as a state program, grants to different homeless, homeless groups or--

VARGAS: Um-hum.

STEVE GREENE: --homeless programs across the state. I think our authority-- if you give me a second, let me get to my page-- it is approximately-- \$2.8 million or \$2.75 million has historically been our spending authority. We have a year-end cash balance of about approximately \$2.5 million. And so what we, what we wanted to do is we wanted to spend down that cash balance over a 10-year period, and also raise it so that our spending authority reflects current revenue projections. I think currently our revenues are around \$2.9 million. So you can see that sort of-- the difference between the \$2.7 million, which is our spending authority, and the revenues, which is about \$2.9 million. So what we wanted to do is do two things. We wanted to work towards spending the amount that's appropriated to us and then, also, over 10 years, reduce that end-of-year fund balance. And so that's why we did the \$100,000 versus, I think, with-- the, the other proposal is that we would spend that balance down in six years.

VARGAS: Are you concerned that.-- thank you, I appreciate it. Are you concerned that the cash fund is not going to be sustainable? 'Cause--

STEVE GREENE: No, it's not. I don't think it's that it's sustainable because it's tied to that documentary stamp tax, so I don't think there's a concern about stability. But you bring up a good point that it is tied to the housing market, and overall sales, and the strength of the housing market in Nebraska.

VARGAS: I mean, it's been, it's been going up. The reason why I ask is I'm hearing from, from not only those providers, the individuals that'll get the grants, that there is an increased need--

STEVE GREENE: Um-hum.

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VARGAS: --these grants are going to detrimentally impact a significant number of programs across the state, because it looks like the reduction----at least what was proposed, not what necessarily we're recommending-- but the reduction would be at least 20 percent reduction, and a, maybe, 35 percent reduction, and it won't be going out to communities.

STEVE GREENE: Right.

VARGAS: I, I'm just worried about that drastic of a jump. We don't often do that drastic of a, of a decrease when it's a cash funded program that is healthy. So I just, I don't know if you want to respond to that [INAUDIBLE].

STEVE GREENE: So part of our review over the summer was this reviewing sort of our cash fund levels and--

VARGAS: Um-hum.

STEVE GREENE: --cash fund authority. And so that's why you'll notice both the Child Abuse Prevention Fund-- we asked for an adjust, adjustment-- and then also the homeless, Homeless Shelter Assistance Cash [SIC] Fund. What we saw is that we had-- we, as a division, were outspending our authorities, so we were spending more than what we had the authority to spend. And so that's, that's part of the reason why there's the, the-- part of that proposal is, I think, answering your question. But the look on your face makes me think that I, I missed that.

VARGAS: Only because of--

STEVE GREENE: Yeah.

VARGAS: --spending more than we--

STEVE GREENE: Right.

VARGAS: --we give the authority.

STEVE GREENE: Right.

VARGAS: Yeah.

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STEVE GREENE: And so we we self-recognize that--

STINNER: I'm having palpitations.

STEVE GREENE: Yeah, I know.

VARGAS: Yeah.

STEVE GREENE: We recognized that at the division, and that was-- its part in collaboration with our-- as a division, wanted to make that known, and, and ask for the spending increase, as part of it. So, so yeah, I'll, I understand that there is frustration that, that there could be a cut to that service, but that was in part because we historically weren't aligned with where we're, where our spending authority should have been.

VARGAS: I appreciate it. And the only thing I'll say is-- I mean, we're, you know-- we had the Child Advocacy Centers come in and they're looking for General Fund. We have a, we have a cash fund that has the ability to continue to fund these programs. I would like to make sure that we're not detrimentally impacting programs and services across the state, if we have the funds.

STEVE GREENE: Right.

VARGAS: But thank you, .

STINNER: Senator Bolz.

BOLZ: Thank you. And forgive me if I, if I didn't follow all of that exchange correctly. My understanding of the situation is maybe just a little bit different than Senator Vargas. My understanding is that we are facing a reduction of \$1.7 million--

STEVE GREENE: Correct.

BOLZ: --in federal funds. Is that correct?

STEVE GREENE: No, not federal funds.

BOLZ: Not federal funds.

STEVE GREENE: Correct, yeah.

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BOLZ: Can you unpack that for me?

STEVE GREENE: Yeah. So the federal funds remain the same. So what we, we had done-- so federal funds won't be impacted. It would be related to this, this cash fund and the reduction, because we had-- we were spending more, and this was more than what we historically had the authority to spend. And so we-- when we had looked at the five-year spend, it had increased. I don't know the approximate year-over-year, but there was an increase. And so we realized that we were, through just again, a review of our cash fund spending authority and how much we were actually spending, that we were spending above what we, what we were authorized to spend.

BOLZ: Um-hum.

STEVE GREENE: And so if we don't make those adjustments at the level that we were at, then that would be approximately 24 months before we would have gone through that balance. That remaining balance. And so what we're proposing is over a 10-year period, and that's where our opinion is a little different than the, the committee's recommendation.

BOLZ: Thanks for that correction.-- I think I misheard or misunderstood--

STEVE GREENE: OK.

BOLZ: --a piece of that, that I thought there was a federal component. What have your conversations with the homelessness and housing assistance folks been like? What are they--

STEVE GREENE: Yeah.

BOLZ: --telling you will be the impact of these changes?

STEVE GREENE: Yeah. I had a conversation with, with one today, and I understand their concern, And my understanding is-- I don't want to speak for them specifically, but they, they, they did communicate that this would be an impact, or it could be, it could be an impact to them. And so I think what, what our conversation was, let's continue to have an ongoing conversation about if there is anything that the department can do to help ease that, that effect. But that

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specifically we had, just prior to this this committee, had a conversation with one provider.

BOLZ: I, I never want to be anything other than kind and, and respectful. But, but I-- it's also my responsibility to--

STEVE GREENE: Um-hum.

BOLZ: --under, understand these, these programs and how things go. Help me understand why today was the first time that conversation happened.

STEVE GREENE: Me, me personally, I can't speak to whether CEO Smith has had those conversations, if somebody in finance has had those conversations, if somebody in the program who facilitates that program-- I mean, they-- so me personally, that's what I can say to my experience, not on behalf of the whole department.

BOLZ: Um-hum.

STEVE GREENE: So I, I'm not aware-- I'm not aware, but I know that there's been conversations with the providers about this program, and, and that we have communicated what our intent was. But me personally, I have not had those conversations as a, as a [INAUDIBLE].

BOLZ: OK. I'm sure we'll hear from those providers, so maybe I'll leave it there--. But it just seems to me that it seems to me that we've got a 10-year plan--

STEVE GREENE: Um-hum.

BOLZ: --and a two-year problem. And I, I don't know why, why we've landed here. It seems like maybe we need further conversation to be more solution-oriented. Thank you, Mr. Stinner.

STEVE GREENE: I--

BOLZ: Or thank you, Mr. Greene. Thank you, Chairman Stinner.

STINNER: So I got to get this down in my brain.

STEVE GREENE: Sure.

STINNER: A little different than what you're explaining. We currently have how much appropriations? Is it \$2.7 million, I think, is our appropriated amount?

STEVE GREENE: Correct. That's our spending authority; it's \$2.75 million.

STINNER: That's the spending authority that we allow them to do.

STEVE GREENE: Right.

STINNER: They bring in revenue of about \$2.9 million,--

STEVE GREENE: Correct, sir.

STINNER: --which means the balance should have gone up. And you're requesting to reduce the appropriation by \$1.7 million.

STEVE GREENE: So what-- sorry, I was unclear and I apologize, Senator.

STINNER: [INAUDIBLE]. So first question is, of the \$2.7 million, how, how much over did they overspend the appropriations? Let's just start there.

STEVE GREENE: Yeah. So--and be happy to show you the spending amount that we were allotting to the program over four years. But roughly it went from \$2.7 million to \$3.4 million to \$3.9 million to \$4.3 million. And so we were overspending our authority, what was our, our spending authority. And so when--

STINNER: When the amount of money we were spending went to \$4.3 million--

STEVE GREENE: Correct.

STINNER: OK. Wouldn't that tell you that that was the need that the homeless shelters need to have?

STEVE GREENE: It would. The, the, the, the flipside of that is that we only-- so our revenues were around \$2.9 million, and we had a 2-- about a balance of \$2.5 million. So if we spent that at that current level of \$4.3 million, we would not only be out of our, our ending

balance of that \$2.5 million, but we wouldn't have enough, within about 24 months, to maintain that level of spending.

STINNER: I, I understand--

STEVE GREENE: OK.

STINNER: --part of it. But what-- how important is it to continue to try to fund homeless shelters at the level that they're asking? And I get the fact that there's limitations relative to revenue, and all the rest of that stuff, and where it comes from. But what I'm trying to figure out is that gap of \$1.7 million.

STEVE GREENE: Right.

STINNER: Do we make it up with general funds or do we make it up with something else that we can find?

STEVE GREENE: Right.

STINNER: I mean, is it important that we spend the \$1.7 million and help these homeless shelters?

STEVE GREENE: That's-- I think it's-- I think they do great work. I think there are, there's close to, I think, 7 different regions, 30 different programs. I think that's an important question. I think we support-- well, while I agree that they do important work, the 10-year plan that we had was to sort of, sort gradually spend down that remaining balance from year over year.

STINNER: I get that part of it; I understand that. OK. We'll have to check into it. Who-- who is responsible to watch the appropriations and the amount of money that we have in the fund? Who's-- who's in charge of that?

STEVE GREENE: So we have a program manager that is over the homelessness, or Homeless Assistance Program. And then we have a deputy director who is over finance and relatively new to the position, and then our chief financial officer.

STINNER: And they--

STEVE GREENE: [INAUDIBLE].

STINNER: --understand that when we set an appropriation amount, that's--

STEVE GREENE: Right.

STINNER: --all you're allowed to spend? OK.

STEVE GREENE: Yeah.

STINNER: Just checking.

STEVE GREENE: Yeah.

STINNER: OK. Any additional? Senator Vargas.

VARGAS: Thank you very much. So the public assistance, this is just something that I want to try to understand a little bit more. We've had this conversation. I've had this conversation with the past administration. But when we are changing the reduction in Program 347, Public Assistance aid,--

STEVE GREENE: Right.

VARGAS: --we are doing this-- I'm going to give you the opportunity. Why are we doing this? Is this based off of historical expenditures? Or we thinking like five-year averages or what we did last year? How are we comparing that also--

STEVE GREENE: Right.

VARGAS: --with increased eligibility and need--

STEVE GREENE: Right.

VARGAS: --for the public assistance programs?

STEVE GREENE: So won't speak to the Medicaid portion because that's a different conversation--

VARGAS: Of course.

STEVE GREENE: --for a different, a different person. With public assistance in general-- so that would be childcare subsidies, SNAP, TANF-- or Aid to Dependent Children-- historically, we've seen over

the last five years especially, to get to your question, a reduction in the, in the amount of individuals utilizing those services. That is, that is true for most states across the country. As you-- you all know that we have historical low unemployment rates. And so with that, then, there has been less of a need for the, for individuals to access some of those services. So this is just to sort of rebalance with what we've seen as an historical sort of projection across public assistance. It's not that we're cutting those services. It just reflects sort of our caseload standards or our caseload sizes.

VARGAS: I just wanted to--

STEVE GREENE: Yeah.

VARGAS: --give you the opportunity to add more color to that.

STEVE GREENE: Um-hum, thank you.

STINNER: Additional questions? Seeing none, thank you.

STEVE GREENE: Thank you, sir.

STINNER: Good afternoon.

MARK LaBOUCHARDIERE: Good afternoon. Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Mark LaBouchardiere, M-a-r-k L-a-B-o-u-c-h-a-r-d-i-e-r-e. I am the director of the 24-hour care facilities for the Department of Health and Human Services. I appreciate the opportunity to come before you today regarding 24-hour care facilities, requesting three adjustments in funding regarding patient safety at the Lincoln Regional Center. In September, 2019, LRC underwent the triennial Joint Commission accreditation survey for both the hospital and behavioral health programs. The hospital program was determined to have one conditional finding related to patient-- National Patient Safety Goal 15.01.01, which requires the hospital to reduce the risk for self-harm. LRC negotiated a mitigation plan with the Joint Commission that was subsequently approved by the Centers for Medicare and Medicaid Services-- CMS-- for implementation. The approved plan consists of two parts: fiscal plan changes; and temporary staffing. LRC contracted with the [INAUDIBLE] Group, which is an architectural and design firm, to get a full antiligature assessment of the current structure. This led to a \$5.6 million request for increased funds to make structural

upgrades for ligature mitigation in the facility. The conditional finding and subsequent mitigation plan also required LRC to increase staffing to ensure patient safety, including a ten-minute safety check for all patients and continuous monitoring of areas identified as being at most risk to patients. In order to sustain this temporary mitigation plan, LRC had to increase the number of staff within a 24-hour period by 21 additional staff. This staffing mitigation plan requires an additional request of \$3.2 million. To reduce overtime at LRC, the administrative team has worked hard to reduce the employee vacancy rate over the last year. The facility continues to use contracted agencies to provide temporary staffing to supplement vacancies-- security specialist and registered nurse positions. The use of mandatory overtime has decreased over the last year, due to the additional support from the contracting agencies, as well as filling vacant security specialist positions. With the continued use of contracted agencies, we requested \$5 million in increased funding annually through the biennium. To date, the number of vacant security specialists is 12, compared to 59 in January, 2019. We will continue to provide-- sorry. The facility continues to have 18 nurse vacancies, compared to 31 in January, 2019. We will continue to prioritize filling the full-time employee vacancies while maintaining patient safety through the use of contracted personnel, as needed, to ensure patient care and safety. I'd like to thank the committee, your staff, and the Legislative Fiscal Office team for your work on the preliminary budget recommendations, and for supporting the Governor's binding recommendation as it relates to the facilities. The budget proposed by Governor Ricketts reflects the increase in funding for LRC to include allocations of facility improvements, ligature mitigation, and staffing. We would like to thank you all for supporting this increase in order to continue to serve patients in our care. I'd be happy to answer any questions,

STINNER: Questions? Senator Wishart.

WISHART: Thank you so much for being here. How many beds do we currently-- how many vacancies do we have in terms of beds that are open in the Regional Center?

MARK LaBOUCHARDIERE: We have a vacant area in Building 5, our forensic building.

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WISHART: OK.

MARK LaBOUCHARDIERE: However, we don't have the staffing to staff that unit.

WISHART: OK. And how many--

MARK LaBOUCHARDIERE: We, we-- I'm sorry.

WISHART: OK. How many people do we have in the waiting list in to-- from our county jails and in other places to be able to get into the Regional Center?

MARK LaBOUCHARDIERE: So currently our waitlist for-- we have a, we have a court, a court waitlist and a mental health board commitment waitlist.

WISHART: OK.

MARK LaBOUCHARDIERE: On our waitlist for the males, we have 14 males--

WISHART: OK.

MARK LaBOUCHARDIERE: --and eight females for our courts.

WISHART: OK.

MARK LaBOUCHARDIERE: For our mental health board, we have two males and four females, in comparison to a year ago when we had 30 for our court commits and then 11 for our mental health board. What that means in terms of time frame, we've actually been really, really well over this last six months to eight months. For our court, I'll break it out to males and females. For our males, for court it will be at 26.5 days, and for our mental health board, it's 31 days for the wait, for the females, it is 45 days, and for the mental health board 38 days. This is in comparison to, if you recall, about a year and a half, two years ago, people waiting months on end to get in. So those are the latest numbers, as of--it's actually today's data.

WISHART: So what are the-- what are some of the steps you're going to take? Do you have a plan for how we're going to open up that wing, in terms of staffing, so that we can fill some of those beds that are there?

MARK LaBOUCHARDIERE: Yes. In the future, we'd probably have to have a request to open up that wing, to ensure that it would be-- have to ensure we have our staff in place to be able to do that. I think in the past sometimes we quickly opened up areas without the staffing. And that's what happened with the increased overtime. And staff--

WISHART: Um-hum.

MARK LaBOUCHARDIERE: get tired, so we have to try to get this more strategically in how we do this--

WISHART: OK.

MARK LaBOUCHARDIERE: --next time around.

WISHART: Thank you.

MARK LaBOUCHARDIERE: Thank you, Senator.

STINNER: Additional questions? Senator Vargas.

VARGAS: Thank you very much for being here, Director. I know we had an opportunity to talk in a couple different other bills I introduced in other committees. I just wanted to give you the opportunity, if you wanted to share a little bit more about-- as a director, I know one of the changes we're, we're at least making within YRTC's is, you know, the contracting with a new building in Lincoln, as part of a three-pronged process. And I know there's a business plan. But I wanted you to just-- if you can give a, a little bit of color as to, you know, where the funding for some of the-- I know there have been some significant changes to this to make this work. And I know some senators have gone and visited it. I just wanted you to talk a little bit about where the funding for this came from,--

MARK LaBOUCHARDIERE: OK.

VARGAS: --what changes were made, because that's not a request that you're coming to us for, but I was curious where, where the funding allocations for this came from.

MARK LaBOUCHARDIERE: So the funding for the YRTC's fall under Program 250. And so we-- as you guys are aware, we used to have YRTC-Kearney and YRTC-Geneva. As of August, 2019, we had moved all the girls to the

Kearney facility. So with the funding that we used for Geneva, that's the funding we used for YRTC-Lincoln.

VARGAS: Um-hum.

MARK LaBOUCHARDIERE: As you mentioned, the business plan calls for YRTC-Kearney being the hub for the males and females. The YRTC-Geneva facilities would be much smaller, and that's going to be for your reentry population for just the females. And then the Lincoln facility would be the, for the high-acuity males and females. So the funding, to answer your question, came from the Geneva piece of it. So we had-- to we didn't have to ask any additional funding, if you may.

VARGAS: OK, so just for clarity, So you're just moving the funding that was allocated for Geneva, for the purposes of this contracted building, as part of the business plan in Lincoln?

MARK LaBOUCHARDIERE: Yes, Senator.

VARGAS: OK. Thank you.

STINNER: Senator Bolz.

BOLZ: I, I'd also like to ask a couple questions about YRTC. Are you-- the YRTCs, Are you currently fully staffed? Do you have all the staff that you need to handle the folks that are in need of support of the YRTCs?

MARK LaBOUCHARDIERE: No, we, we do have quite a bit of vacancies at our Kearney facility right now.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: So we're trying to get that filled as soon as possible. We had a hiring event about a week and a half ago in Kearney. We have another hiring event through HR, coming up in March.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: So we hope to get more of the vacancies cut down.

BOLZ: Um-hum. How are you-- how are you covering shifts now?

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MARK LaBOUCHARDIERE: All right. So we have, within our youth facilities which I oversee, we also have-- we have staff coming from the Hastings Regional Center, from Whitehall, from YRTC-Lincoln, because we have no youth there right now, and YRTC-Geneva, since we have no youth there, as well. So they come in to provide support to our staff. And we also have a-- our security advisors change that schedule to provide additional support, including our compliance staff.

BOLZ: OK. Can you, can you help me understand? And please do catch me up. I haven't followed this the way that the HHS Committee has followed this. I think Senator Howard referenced a reduction in force in December. And now in February, you're talking about staff from other facilities. Did I misunderstand what she was communicating? Or what, what happened there?

MARK LaBOUCHARDIERE: I don't want to put-- speak for Senator Howard, but I, I think what she meant by reduction of force was in the Geneva facility. So when we had the staff in Geneva and we moved all the girls over, and once we closed down the Geneva facility for the whole operations piece of it, that's where we reduced staff. That's where we have staff from there-- we just used the staff which we needed for the reentry piece of it. And the rest of them, we had opened up an MLTC Center down there in Geneva where staff were able to, to move and get jobs over there, as well.

BOLZ: So will you hire new staff for the Lincoln facility?

MARK LaBOUCHARDIERE: Yes. We, we, we did offer any staff the ability to apply for jobs at our Kearney and Lincoln facility.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: But it's-- from Geneva to Kearney, it's what's a-- it's maybe a little over an hour, hour and 15 minutes, hour and 20 minutes.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: And then it's an hour to Lincoln. So not everybody has the flexibility to just drive up and down every day as their job--

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BOLZ: Um-hum.

MARK LaBOUCHARDIERE: --on an [INAUDIBLE] basis.

BOLZ: And so with-- and correct me if I'm not understanding this, this correctly. But with all of those changes, you have, you have enough funding and PSL authority to fund the needs that you have across your changes. In fact, you probably have some vacancies savings, right?

MARK LaBOUCHARDIERE: That's--

BOLZ: You probably have some--

MARK LaBOUCHARDIERE: It's not just vacancy savings. It's, it's-- we were really strategic in how we were able to move the PSL operations into Lincoln because the Lincoln facility is not-- it's, it's going to be a 20-bed facility; you have 11 males and 9 females. And the Geneva facility is going to have about 3 to 6 females.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: So that's where the funding savings also came from, because it was a reduction of beds, if you may, as well,--

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: because the Geneva facility was budgeted for a much higher number. So there was also savings with that mechanism, is what I'm saying.

BOLZ: OK. And, and just one more piece of that. So is your-- is the intention that the Lincoln facility is a permanent facility?

MARK LaBOUCHARDIERE: No. Right now-- in fact, we just had a visioning session last week where-- this is, this is what I think some people are getting caught up on, where the people feel as though this is a long-term plan for DHHS, saying it's going to be three facilities in the whole business plan. This whole plan was just something right now in the interim-- what to do, especially after what we saw at Geneva. There's a long-term plan which is being done from interactions through different stakeholders, to say, what is that continuum in Nebraska going to look like for youth in our care, not necessarily just when they coming to-- in the facility, as in, in the YRTC kind of setting,

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but also prior and after. There's, there is a lot of work that also can be done in the after part once the kid leaves, so they don't come back to us [INAUDIBLE].

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: So this is just interim plan--

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: --till that bigger vision group looks at that and says,--

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: --what does that need to look like? And looking at other models from other states which have been proven to work, whether it's the Missouri model or the New York model, and bringing the national consultants to say what that needs to look like, and how people are going to collaborate, not just from my DHHS setting, but from Probation, from courts, the whole--

BOLZ: Um-hum. .

MARK LaBOUCHARDIERE: --group.

BOLZ: Do you need any, any funding to develop that plan? Do you need a consultant? Do you do have the flexibility and support that you need to--

MARK LaBOUCHARDIERE: That--

BOLZ: --put that all together [INAUDIBLE]?

MARK LaBOUCHARDIERE: There's actually a bill through Senator Howard, who actually has that, asking for that five-year plan. So that's part of a bill which speaks for that, as well.

BOLZ: OK. And does that bill include the cost-- the recommendation related to the cost study and needs assessment for the inpatient residential psychiatric unit?

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MARK LaBOUCHARDIERE: That is a separate bill that's for-- you're speaking of opening up adolescent unit at LRC.

BOLZ: OK, so those recommendations are being brought up through the Health and Human Services Committee?

MARK LaBOUCHARDIERE: Yes, Senator.

BOLZ: All right. And last question here-- do those, do those bills have fiscal notes?

MARK LaBOUCHARDIERE: My understanding, the one for LRC, for the inpatient unit, there's a fiscal hole for that to do an assessment to see what that's going to cost.

BOLZ: Um-hum.

MARK LaBOUCHARDIERE: For the other one, which you talked about the five-year plan piece, I don't believe there's a fiscal note to that.

BOLZ: OK. Thank you for your patience. I think the committee might want to keep an eye on needs on the floor.

MARK LaBOUCHARDIERE: And that's where the visionary group comes in. Maybe next year when that group meets, it's going to look at a whole, a whole skew of different things from-- does it, does it require Geneva and Kearney? Does it require more of smaller facilities across Nebraska? We see most of our youth coming from Omaha and Lincoln, but yet our facilities are in Kearney and Geneva. And nationally, people are going closer to home-- community services-- so there could be a whole different request. So I, I mean, I don't what that's going to look like, and--

BOLZ: Thank you.

STINNER: Senator Vargas.

VARGAS: So a follow-up question. So you said that this is-- the moving to Lincoln, or at least the contract in Lincoln is an interim plan.

MARK LaBOUCHARDIERE: Um-hum.

VARGAS: How long is the lease terms for the Lincoln, Lincoln building and Lincoln facility right now?

MARK LaBOUCHARDIERE: The lease term right now, in my understanding, is five years.

VARGAS: It feels like more than an interim plan of five years, but OK. So--

MARK LaBOUCHARDIERE: So I get, I-- so hypothetically, if you may, so let's say the group, the vision group or some national consultant comes and says, you ought to have-- open up a small facility in Lincoln, 'cause most of our kids come from Lincoln. That could potentially be our location already there, which we could make into more of a smaller, Lancaster-based-- only for Lancaster-- youth facility, where that could potentially work. Does that make sense? So I mean, and with a lease like that, there's always-- if a group meets and says we have to go a different complete direction, there's always clauses in a lease to that effect.

VARGAS: The reason why I bring it up is because, you know, we're appropriating the funds with the intent for the existing facilities. So you talked about moving the funds that were meant for Geneva to this, and that was done in the interim. But we appropriated those funds because we were assuming that Geneva was going to continue to be meeting the programing needs, right?

MARK LaBOUCHARDIERE: Um-hum.

VARGAS: Were there funds last year? Actually, I kind of briefly remember Senator Erdman sending a report on how many funds were spent on facilities and maintenance at Geneva in 2019. I don't know if you can reference or you know, how much we spent before we made the change to Lincoln.

MARK LaBOUCHARDIERE: I do not know that number, Senator. I'm sorry.

VARGAS: OK.

MARK LaBOUCHARDIERE: I can get that information for you, though.

VARGAS: Thank you.

MARK LaBOUCHARDIERE: You're talking about maintenance issues specific, right?

VARGAS: Yep. Yep.

STINNER: Senator Clements.

CLEMENTS: Thank you, Director. Regarding-- you mentioned Senator Howard. We had Senator Howard presenting a bill, LB1146, to divide some-- the Kearney building into private rooms and bathrooms. Do you have a position on that? Does that fit in with your plans?

MARK LaBOUCHARDIERE: The department chose to do no action on that just because-- my opinion is that there was a note attached to it for \$3 million, and we would have to have-- to be thoughtful and "intentful" about that. We would have to actually have an architectural firm come in to give you an exact number, what that's going to look like. I know just even in our facility in HRC, which we just opened up, it was \$5.2 million, and those were not for high-risk youth. So we're talking about a high-youth-- high-risk youth setting, you're talking about strong walls where they cannot break through, you're talking about metal doors they cannot kick through with like some of the wood ones we have. So to put a number on that, until we have a architectural design firm come in to say, this is what it's exactly going to look like, if we wanted those existing structures at that facility. So--

CLEMENTS: Are you looking into making some changes like that, though, in your plans?

MARK LaBOUCHARDIERE: Yes, I think, again, that's part of the vision session to see what that needs to look like for a continuum of care for all our facilities, so that would be part of it.

CLEMENTS: Thank you.

MARK LaBOUCHARDIERE: You're welcome.

STINNER: Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here today. Do you know a date when you will start up the people coming to Lincoln?

We keep hearing different dates, I guess. Is it-- are you, are you close enough to know when that might happen?

MARK LaBOUCHARDIERE: Yes, it should be by the end of this month, is what they told us.

DORN: By the end of this month, capacity of-- you said, I think, 20.

MARK LaBOUCHARDIERE: So I was talking about total capacity being 20. It is a brand new facility. We're talking about high acute kids right now. So if we would have dumped 20 kids into that facility right now, it'd probably implode. So we're going to be strategic and bring kids slowly at a time. So you're going to have staff develop relationships with those kids first, at a much smaller number. And then slowly, as time goes, we'll progress to a larger and larger number. This way, it's more technical in terms of how we have these kids progress and succeed.

DORN: Thank you. And then one other question, I guess. You were talking a little bit ago, about a five-year plan or this plan coming, I guess. I don't know, I guess from a perspective of just myself, you know, over the last several years, we've seen kind of Geneva go backwards, and then we had to close it because of issues there. Now we move some of these kids to Kearney. And now within the last week here again, we hear more issues. I guess to me we're not-- somewhere along the line, we're not advancing. We're not solving the problem, I guess. We're more putting bandaids on it, and we're not coming up with a solution, I guess. And I don't know if your five-year plan or what-- or, or how will we-- where will we start seeing results, I guess?

MARK LaBOUCHARDIERE: The five-year plan I mentioned was a bill that Senator Howard had put in there, asking the department for a five-year plan. So that's what that piece came from.

DORN: That's where that piece came from. What, what-- I mean, what do we-- what are we looking at here, though, in the next six months, maybe, to, as we go forward, so that we don't continue to have some of these problems we're having, I guess? I don't, I don't know if, facility-wise or if other things, if there's thoughts?

MARK LaBOUCHARDIERE: There, there's several things going into planning right now. It's part in the facilities and where they need to be located at, to who-- or what kind of kids need to be served there. I

know we had some of the senators talk about the high-acuity 10 percent of the kids in Kearney right now and where they could potentially benefit from a Lincoln facility. That-- I think sometimes where I think we have failed it is sometimes we only concentrated just on the YRTC piece of it. And if we don't look at the other elements of it, from the court side to the probation side to the prevention side, I think that's you fail. I think that's where CEO Smith is trying to look at that whole vision of what that's going to look like. And so I have this vision group, it's just not the HHS folks. It's-- we have advocacy groups, we have some representatives, some senators, we have Probation in there, we have court representation to look at that entire picture because, even with a kid who we have issues with, [INAUDIBLE] right now with aftercare services, if we have to send a kid home for a furlough or different services. Having everybody together at the same table and say this is what that needs to look like, or for best practice, and looking at other states and how it's been successful out there. I mean, that's more of a much more thoughtful plan versus just piecemealing it, saying it's just the YRTCs.

DORN: Thank you for that explanation. Thank you.

MARK LaBOUCHARDIERE: You're welcome, Senator.

STINNER: Additional [INAUDIBLE] questions? Seeing none, thank you.

MARK LaBOUCHARDIERE: Thank you. Senator Stinner.

STINNER: Any additional proponents? Any opponents? Anyone in the neutral capacity? Oh, we have somebody in the neutral. Good afternoon.

KATIE McLEESE STEPHENSON: Good afternoon. Could almost say good evening. Good afternoon, Chairperson Stinner and members of the Appropriation Committee. My name is Katie McLeese Stephenson, spelled K-a-t-i-e M-c-L-e-e-s-e S-t-e-p-h-e-n-s-o-n, and I serve as the executive director of HopeSpoke, formerly known as Child Guidance Center, here in Lincoln. I am here today representing the Nebraska Association of Behavioral Health Organizations, a statewide entity with 48 member organizations, providing an array of services for those in need of behavioral healthcare across the lifespan. Today, I want to underscore the importance of community [SIC] access guarantee funds-- often referred to by their acronym CAG funds-- through the Division of

Behavioral Health. The division has let the regions and [INAUDIBLE] providers know that they are moving to do away with this funding to move these funds into a fee-for-service arrangement. This will lead to a decrease in capacity and access to those-- to serve those in need from the agencies impacted. Whatever gains that were anticipated by those agencies when rates were increased by your work in the legislator-- Legislature last year will, we, will be wiped out, as well as further financial destabilization. We are requesting that CAG funds be left in place or, if a different strategy is used, that providers do not lose funds in the end. CAG funds were designed to allow the behavioral health regions the ability to ensure that access to services are guaranteed in certain specialized situations by providing funds that can be utilized when other means of reimbursement are not available. The CAG funds are critical to-- critical to program sustainability in that they allow programs to break even by covering the excess expenses. Similarly, in the event that revenue exceeds expenses for a particular month, the excess revenue is credited back to the CAG balance at the region. The purpose of these funds is in keeping with the regional behavioral health system intent, which was created to be flexible and to meet the needs of the area where they exist. The removal of CAG funds takes away that regional-- needed regional flexibility. HopeSpoke receives a variety of funding from public and private entities, and raises charitable dollars each year to make ends meet. There is a significant gap, as has been talked about earlier today, in the cost of providing behavioral healthcare and the reimbursement rates received from two of our largest sources of public funds: the Division of Behavioral Health, through the regional system, and Medicaid. Our agency is unique in that we serve a large number of children and youth. Last year, 88 percent of the clients that we served were under the age of 18-- excuse me, 19. When providing services to a minor client, it's essential that you work closely with the family or guardians, and also with the multitude of system partners that the child or youth are involved with. Based on experience, we know that the time associated with collateral contacts for children and youth far exceeds that of adults and impacts our costs greatly. Yet the rate for providing these services is the same for children as is adults. The fiscal-- this fiscal year we will receive \$196,453 in CAG funds for our office and school-based outpatient services for children. CAG funds are essential in allowing us to sustain our outpatient service program. A fee-for-service arrangement, at current rates, does not work out for these programs

due to the extenuating reason that CAG funds are put in place. With-- without the CAG funds, our organization would need to scale back and significantly decrease the children's services that we've provided for over 70 years in our community. This would also occur for other organizations that receive CAG funds in both rural and urban settings. I'm here to request that whatever solutions are developed by the Division of Behavioral Health do not decrease access or program sustainability. To do so in a system that's designed to help the most vulnerable when behavioral health concerns are on the rise and in the forefront of many societal issues, feels shortsighted, especially when these funds are for some of the lowest levels and least expensive community-based services to be carried out. We request that providers of services within the regional behavioral health system do not lose CAG funds as a mean to sustain these specialized services in a more cost neutral way. If not, there will be decreased services and access that will be harmful to Nebraskans in need. Thank you for your time, and I'd be happy to answer-- to try and respond to any questions that you might have.

STINNER: Any questions? Seeing none, Senator Erdman's not here. I'm sure he would have a couple of questions [LAUGHTER].

HILKEMANN: That's so frustrating.

STINNER: Thank you.

KATIE McLEESE STEPHENSON: Thank you.

NICK FAUSTMAN: Good. I'm Nick Faustman.

STINNER: You're chasing everybody away. Did you notice that?

NICK FAUSTMAN: I did; I noticed that. That-- sorry about that, guys. Nick Faustman, with the American Cancer Society Cancer Action Network. That's Nick, N-i-c-k; Faustman, F as in Frank-a-u-s-t-m-a-n. Given the hour, I'll streamline my testimony. But I wanted to talk about the current youth tobacco epidemic, which has brought to light the aggressive tactics used by the tobacco industry to target young people. The rapid increased use of e-cigarettes by youth and the under regulation of these products requires action at the state level to protect that population, as well as the public health at large. Ensuring that the state's tobacco control program is adequately funded will be an extremely important tool in addressing this epidemic. The

toll that tobacco has had on the state has been enormous, and, in fact, one of those handouts that we've had distributed to the committee members will outline those, those costs. In addition to those costs, the Campaign for Tobacco Free Kids estimates that 38,000 Nebraska kids now under 18 will ultimately die a premature death from smoking. However, we can significantly decrease those costs-- disease and deaths --with the investment of more funds into Tobacco Free Nebraska. Current funding, as you know, is only 12 point percent of what the Centers for Disease Control and Prevention recommends for the state of Nebraska. Two years ago, public health and patient advocates requested the Appropriations Committee consider additional funding for Tobacco Free Nebraska in recognizing how important the program is to the physical and economic health of our state. The committee did approve a one-time increase of \$500,000. The increase in funds were put forward-- or I'm sorry, they were put towards Quitline and media efforts regarding the Surgeon General's PSA on e-cigarette use. Once again, this year we are requesting that an increase in the same amount be made to the program's budget on a sustained basis. The funding is needed now more than ever.

STINNER: Thank you. Questions? Thank you.

NICK FAUSTMAN: Thank you.

BETH BAXTER: Good afternoon, Chairman Stinner and members of the Appropriations Committee. Thank you for hanging in here with us all day long. And, and I know that the, the time has been long, and so I'm going to be brief, as well. My name is Beth Baxter, B-e-t-h B-a-x-t-e-r, and I'm the regional administrator for Region 3 Behavioral Health Services that covers the 22 counties in central and south-central Nebraska. As a regional administrator for over 28 years. I understand the challenges that providers of public behavioral health system face. Nebraska is a diverse state in terms of demographics, geography, resources, and needs. The Nebraska behavioral health system is also diverse in terms of its comprehensive array of services and coordination functions that require payment methodologies to cover the cost of service delivery across the state. Today we've talked about funding, we've talked about rates, and I'd like to say that there is more to our system than just the funding and the rates, but it's the methodology in which that funding receives-- is received by providers. Many services are paid on a rate based on a unit of service. However, not all services are suited for reimbursement on a rate. Due to the

comprehensive nature of the Nebraska behavioral health system, the complex needs of the individual seeking treatment and support, the expanse of Nebraska, and the lack of critical mass in many areas of the state, a variety of payment methodologies is necessary. Over the years, this system has benefited from the foresight and understanding of the Division of Behavioral Health and behavioral health regions, to utilize payment methodologies including: rates; capacity access guarantee--the CAG; rate enhancement; service enhancement; and what we call expense reimbursement, knowing that capacity and access must be maintained in order to achieve a balanced service array, ready to serve those who walk through our doors. The Division of Behavioral Health, regions, providers, consumers, and stakeholders have worked together to create us a delivery system that is recovery oriented, trauma informed, and effective. However, this system is experiencing a narrowing of payment methodologies that place some services and some providers at risk of closure. The reduction in the flexibility concerns me and many of my colleagues, as we know that services are needed across this entire state. Our system has right-- recognized what I call the fire station effect, in that we must fund the fire department when they're battling a fire and when they're not, when they're standing ready to, to serve. It's the same way for an effective behavioral health system in a diverse state. Even though some areas of the state do not have the critical mass to fully support essential services, it doesn't lessen the importance of service access and capacity that is available to meet the needs and individuals in frontier, rural, as well as metropolitan areas. My colleagues and I will continue to work with the Division of Behavioral Health and advocate for flexible funding methodologies to ensure that we have a viable system across our entire state. I appreciate your time, again this afternoon, and would be happy to answer any questions.

STINNER: Thank you. Question? Seeing none, thank you. How many more testifiers do we have for this--by hands? One, two--

HILKEMANN: Six or seven [INAUDIBLE].

STINNER: OK.

RANDY McCOY: Good afternoon, Mr.--

STINNER: We'll try, we'll try to keep it at five minutes. It may have to--

RANDY McCOY: Yes, sir. Good afternoon, Chairman Steiner and members of the committee. My name is Randy McCloy; I am R-a-n-d-y M-c-C-o-y. I'm the executive director of the Metro Area Continuum of Care for the Homeless, serving Douglas and Sarpy Counties. And today, I'm here to speak about proposed reductions of 2020 funding for the Nebraska Homeless Shelter Assistance Trust Fund. Mr. Chairman, I would start with a question you posed earlier. How important is it to fund homeless shelters? And my answer would be that it is critical. The key to preventing and ending homelessness in Nebraska is the availability of effective programs, a critical element in creating success in the availability of reliable funding that ensures communities can provide services. In our state, the Nebraska Homeless Shelter Assistance Trust Fund has done just that. HSATF funds provide services for homeless prevention, street outreights --outreach, emergency shelter, and rapid rehousing. That funding is what our communities rely on to help Nebraskans experiencing homelessness return to stability. Unfortunately for 2020, the HSATF program is proposing a reduction in funding of nearly \$1.8 million. This reduction in funding will lead to both short- and long-term impacts. In the short term, we will see increased episodes of homelessness, longer stays in emergency shelters, and fewer opportunities for households to move into stable housing. Additionally, providers across the state that receive funding, both from HSATF and from federal sources like HUD, will have a double impact. The contracts between HUD and providers across the state require a cash match. An HSA-- HSATF funding, because it is state level funding, can be used as that match. So at the same time, the providers who are receiving both of these sources of funding are losing money because of the HSATF reduction. They will also find it harder to come up with cash match to satisfy their federal obligations. I, ahe long term. And as a result of the short-term impacts, Nebraska's continuums of care could become less competitive in annual competitions for homeless assistance funds from the Department of Housing and Urban Development. A loss of competitiveness would make it harder for our state to retain existing federal funds, and would reduce our ability to attract new funds for expanded services. These outcomes would undercut the success of the last decade. Since 2010, Nebraska has achieved an overall reduction in homelessness of 39 percent. We are recognized as one of the top five

states in the country in our ability to provide shelter for those experiencing homelessness. The Omaha Continuum of Care has reduced veteran homelessness by 41 percent, and the Lincoln and Balance of State Continuums to have effectively ended veteran homelessness. I encourage the Appropriations Committee to consider these accomplishments and the potential impacts of the 2020 reduction, and to restore funding to the 2019 level, to ensure that all Nebraskans have a safe and stable place to call home. I'd be happy to answer any questions,

STINNER: Questions? I can assure you, I think the committee understands the plight, and we'll see what we can get done for you.

RANDY McCOY: Thank you, Mr. Chairman. We appreciate it.

LEAH DROGE: Hello. Good afternoon.

STINNER: Yes, almost evening.

LEAH DROGE: Right, almost evening. So good almost evening, Chairman Stinner and members of the Appropriations Committee. I'm going to echo a lot of what Randy just said. My name is Leah Droge, L-e-a-h D-r-o-g-e, and I'm here today on behalf of the Lincoln Homeless Coalition. We are a collection of more than 45 member agencies who provide a continuum of shelter and services for those who are at risk of, or currently experiencing, homelessness in Lincoln, Nebraska, I also work for Friendship Home, who receives [INAUDIBLE] funds, providing safe, confidential emergency shelter for victims of domestic violence. Through a coordinated assessment and collaborative efforts, resources in our Lincoln Continuum of Care have focused on the most vulnerable members of our community. The proposed 45-- almost 46 percent reduction in Lincoln's allocation of the Homeless Shelter Assistance Trust Fund in 2020 would translate to an estimated 837 unserved households in our community. In addition, the reduction will result in significant long-term impacts on the homeless service system. Emergency shelters already operate at or above capacity. Increases in homelessness, due to fewer prevention services and a reduction in available shelter bed nights, will result in more people being unable to access shelter and force them into unsafe living conditions. As a staff member at Friendship Home, I have witnessed the impact of emergency shelter to provide safety for many victims over the years, including: a mother severely assaulted by her intimate

partner, who left the emergency room without a safe home for her and her children to return to; a pregnant young woman who was strangled, stalked, harassed, and threatened by her ex-boyfriend; a victim-- beaten, threatened with a gun, and left on the side of the road after being told by her intimate partner, if you say anything, I will come back and finish what I started. It was essential for these victims and others that emergency shelter was available in their time of need. In closing, the Lincoln Homeless Coalition urges you to consider the long-term impact of the proposed reduction. It is critical that emergency shelter, rapid rehousing, prevention, and outreach be maintained for those at risk of, or experiencing, homelessness in our community and across the state. Thank you for your time, and I'm happy to answer any questions.

STINNER: You're Region 6?

LEAH DROGE: Yes,

STINNER: OK, thank you. Additional questions? Seeing none, thank you.

LEAH DROGE: Um-hum.

TERA KUCERA: Good evening.

STINNER: Good evening.

TERA KUCERA: Thank you, Chairman Stinner and members of the Appropriation Committee. My name is Tera Kucera, and I am the CEO of Care Corps, Inc., in Fremont, Nebraska. Today I'm here to represent the Balance of State Continuum of Care, which has 23 agencies funded by the Homeless Shelter Assistance Trust Fund. This funding has allowed service providers the opportunity to respond with solutions that lead to long-term success for those most vulnerable in our state. The ability to respond takes into consideration not only the well-being of those we serve, but the well-being of each community and the state of Nebraska as a whole. If we lose nearly \$715,000 in funding, we lose the ability to respond to and effectively assist those who are homeless, near homeless, or fleeing domestic violence. While we are currently responding to these circumstances, it is on an already stretched-thin budget. I want to share with you an example of how my own agency has responded to homelessness with this funding. A family entered into our homeless shelter with five little boys, all under the age of seven, one whom is autistic. This family had been

living in their Suburban since March, when their rental home was lost in the flood. Dirty, hungry, and tired, they entered a shelter with only a few articles of clothing. Once their basic needs were met, a case manager sat down with this family to help them figure out the underlying issues that have kept this family living in their vehicle for more than six months. Their case manager assisted them in getting the oldest two children enrolled in school. They walked alongside them as they applied for SNAP benefits and Medicaid. Once Medicaid was approved, the child with autism was able to have surgery to remove a large tumor on his leg that the family couldn't address because they couldn't afford it. Mom and dad have both taking classes in parenting and budgeting, and dad is now learning new job skills while mom is attending AA and learning to live a sober, sober life. Because of this funding through NHAP, this family is now entering into rapid rehousing and will be permanently housed within the Balance of State. While we would be able to offer this family-- and families like these-- a place to sleep, eat a meal, and clean, and clean up, we would not be able to offer the wraparound services that are leading them to self-sufficiency. Instead, we would know that they would end up entering again into a homeless situation, perhaps at our agency or another shelter, dirty, hungry, and tired, with the threat of CPS involvement. This is just one family from one agency out of 93 counties. The Homeless Shelter Assistance Trust Fund allows the state of Nebraska to respond to and intervene in homelessness, near homelessness, and those fleeing domestic violence, rather than react to it, which is far more costly. In closing, the cut that we are facing will significantly decrease our ability to provide services to those most vulnerable in our state, which will cause an increase in hospital visits, law enforcement interventions, CPS involvement, along with increased crime rates just to get the most basic of human needs met. On behalf of the Balance of State. I beg you to consider the efforts of this proposed reduction in funding. Thank you. Now I'd take any questions behind them.

STINNER: Thanks for sticking around, and thank you for doing what you're doing.

TERA KUCERA: Thank you.

STINNER: Questions? And drive careful.

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TERA KUCERA: Thank you; I will.

MARY FRASER MEINTS: Hello.

STINNER: Good evening.

MARY FRASER MEINTS: Thank you. Chairman Stinner and members of the Appropriations Committee. I am Mary Fraser Meints, M-a-r-y F-r-a-s-e-r M-e-i-n-t-s. I'm here to raise concerns about the funding that you've already heard about, that YES provides critically needed resources to empower young people, who are experiencing homelessness and near homelessness, to become self-sufficient. We want them to get back on their feet, be in school and have a job. We served over 3000 young people ages, 12 to 24, last year. We provide a variety of support services through prevention and self-sufficiency. Providers across the state who serve youth work strategically to prevent youth homelessness and, ultimately, to eliminate it. Until then, if a youth experiences homelessness, we strive to make it a rare, brief, and one-time occurrence. YES recently received funding through this trust fund. We received a little under \$100,000, and we were able to help 100 young people each year to prevent them from being homeless. We could pay for their rent, their deposits. They could get back on track, and we could help them move forward. Young people who face an eviction get it on their record, and it's also a trauma. And we can help them so they don't have that trauma or an eviction on the record. So let me tell you a story about one father. He has, he has four children, and two of his children live with him. And he was seeking the custody of his newborn son who lived with his-- the mother. And he was concerned that the mother was abusing or neglecting him. So he was taking time off from work, he wasn't paying his rent, and he was about to be kicked out of his home. So he came to us and we used this funding to help him stay in his apartment. And he was able to legally get custody of his son to avoid the son going into the foster care system. And he now has three of his four children living with him. So this fund-- we talked earlier about Families First Prevention Services. This fund can help families avoid the child welfare system. These services are critical to prevent young people from experiencing chronic homelessness. We must address this because adult homelessness has been working, but if we continue to have homeless youth, we're not going to address the issue in the future. I've attached a document from the National-- let's see-- Law Center on Homelessness And Poverty, of True Colors. They recently released a report on the State Index of Homelessness.

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Nebraska's 48th. So please help us keep this funding to help people who are experiencing homelessness and near homelessness. Thank you for your attention. And I understand that you support this issue. If you have any questions, I'll be glad to answer them.

STINNER: Questions? Yes, ten seconds or-- [INAUDIBLE].

HILKEMANN: A ten-second comment.

MARY FRASER MEINTS: OK, thank you.

HILKEMANN: And I've visited your facility, and thank you for the work that you're doing in Omaha.

MARY FRASER MEINTS: Thank you.

HILKEMANN: I appreciate it very much.

MARY FRASER MEINTS: Thank you for visiting us.

STINNER: Yeah, the only thing that exceeds this is our prison overcrowding. And think we're 49th or it could even be 50. I don't-- I can't remember [INAUDIBLE].

MARY FRASER MEINTS: Yeah, it's pretty sad.

STINNER: None of them were very good.

MARY FRASER MEINTS: I gave you the scorecard. We've got some more work to do on legislation-- maybe next year.

STINNER: OK.

MARY FRASER MEINTS: Any other questions?

STINNER: Any questions? Seeing none, thank you.

MARY FRASER MEINTS: Thank you.

STINNER: Good evening.

MINDY PACES: Good evening. Thanks for staying late. Chairman Stinner and members of the Appropriations Committee, thank you for having us. My name is Mindy Paces, M-i-n-d-y P-a-c-e-s. I'm the vice president for Heartland Family Service in Omaha, Nebraska. Many of the clients

that we serve are survivors of domestic violence and sexual assault, living with substance use and mental health disorders, living in poverty, and experiencing homelessness. Homeless-- the Homeless Shelter Assistance Trust Fund dollars are used to staff our overnight shifts at our domestic violence shelter, provide case management and financial assistance for individuals who are at risk of becoming homeless, and provide similar services for individuals who are already experiencing homelessness. Our goal is to help individuals and families quickly obtain housing and find a lasting way out of homelessness. When individuals have little or no financial resources, we do not deny them for services, nor do we turn them away if they have other challenges like past debts or criminal histories that, you know, that may prohibit them from having housing stability. The services that we provide are really a stepping stone to self-sufficiency where once, you know, housing has been obtained, then a sense of stability can really be established. We have seen mothers and their children leave, as survivors, from our domestic violence shelter. As they have found their way out of homelessness, they're free from fear; they have a stable roof over their head. We've also had individuals who've come to us from living in their car on the streets-- in their car, on the streets-- really looking for any assistance that they can get to be able to, you know, get a chance to start their light over, life over and get back on their feet. So through these services, they do have a new chance that they would not have if not for the funding that the Homeless Shelter Assistance Trust Fund provides. So a reduction in funding means several things: an internal shift of programming; job cuts; and a reduction in service offerings. However, you know, on a much larger scale, it will mean that more families will continue to languish in shelters and on the streets. Options to find a way out of homelessness will be slim, and for those who are on the brink of becoming homeless, the few resources that we have to help them avoid homelessness will be much harder to find. On a much bigger scale, our state will see an influx of individuals who will enter the homeless system, creating a strain on our already overcapacity shelter system. And additionally, bottlenecks will be intensified as, you know, our resources dwindle to help those find a way out of homelessness. So in closing I, I strongly urge the committee to identify solutions and an alternative to this funding reduction. And just please consider the impacts that this will have, not only on individual continuum of care, but on the larger state of

homelessness in Nebraska. And it sounds like you guys are aware of that, so--

STINNER: Thank you very much. Any questions? Seeing none, thank you.

MINDY PACES: Thank you.

JAY CONRAD: Senator Stinner and Appropriations Committee members, my name is Jay Conrad. I'm executive director at Houses of Hope in Lincoln, and today I'm speaking on behalf of the five halfway house providers in Nebraska. That would be: Friendship House in Grand Island; The Link in Norfolk; Santa Monica's in Omaha; the Arch in Omaha; and Houses of Hope here in Lincoln. We're here to ask that the Appropriations Committee consider our specific request to increase the Medicaid rate for halfway house services. The halfway house Level 3.1 service definitions are the same for both the Division of Behavioral Health and Medicaid, yet the rates paid by the two are vastly different. I'd like to illustrate the rationale for our Medicaid increase request. From fiscal year '11 through '12, '13/14, rates between DBH and Medicaid we're incredibly similar. Beginning in '14/15, that changed, initially for the positive. Then in '15 and '16, they were also similar, but at '17 through '18, the difference became significant. For the past three years, the Medicaid rate has been 42.63 to 40.34 percent below the DBH rate. And the DBH rate has not increased since July of 2016. And there is a chart that kind of helps indicate where these rates have kind of gone and how far below they are. With Medicaid expansion, we'll see more clients reimbursed at this lower rate, and with no decrease in staff coverage or staff expectations or program expenses. This will have a devastating impact on our halfway house programs. This is not something we're going to be able to weather. The current Medicaid, Medicaid rate results in the loss of about \$1,400 per person per month for every individual we serve. In addition, we've not been able to assess-- we won't be able to assess sliding fees, which we're required to collect by the Division of Behavioral Health. We assess sliding fees based on client income they earn as they get back in the-- back to the work force while they're in our programs. This has always been a living skill, which helps each client learn to budget and be prepared to pay their own rent when they move into independent living. The loss of sliding fees on top of the reduced Medicaid rate increases the loss in revenue to \$1,700 to \$2,100 per person per month. The Medicaid and DBH service definitions indicate that individuals typically require halfway house

services for longer than six months for maximum effectiveness. Using those figures I just cited, that would equate to a loss of between \$8,600 and almost \$13,000 for each Medicaid client served over a six-month period. The reimbursement loss will undermine our ability to continue to provide quality services. Halfway house services are a vital and effective part of a substance abuse treatment system. As halfway house providers, we have 228 years of experience serving individuals with substance use and mental health issues. Our halfway house programs offer community-based safe housing with 24-hour staffing, and programming for adults seeking integration into the community. We offer cost-effective treatment where consumers begin their return to work, resume paying taxes, reconnect with families, resume child support payments, regain custody of their children, and remain clean and sober. They can once again be successful parts of our community. A large percentage of our clients-- between 60 and 80 percent across the state-- have some level of involvement with Probation, Diversion, Courts, Drug Courts, or Corrections. Halfway house services will be even more important as we all-- as we're moving more individuals out of the correctional facilities, who will benefit from treatment and recovery supports to aid in their successful transition back to the community. We offer high-quality services provided by master's-level licensed substance abuse and mental health professionals, and a cadre of Behavioral Health staff. Each of our halfway house facilities are licensed by the state of Nebraska and are CARF accredited, so we have national accreditation. Senator Stinner and members of the Appropriation Committee, we respectfully ask that you increase the Medicaid rate to at least the level of the Division of Behavioral Health. This will provide the resources needed to meet the complex needs of clients being referred to our services.

STINNER: Thank you. Questions? Seeing none-- I'm sorry, I was texting my wife. I don't, I don't want to be homeless after tonight.

JAY CONRAD: And hungry, too [LAUGHTER]. Thank you.

STINNER: Is it possible that you're the last one to give testimony?

BRIAN KRANNAWITTER: I think I might be the last one, and I will-- I promise. I'll keep it very brief; I know it's been a long day. And I was about ready to say good afternoon, but I think it's almost good evening. So good evening, members of the Appropriations Committee, Senator Stinner. I thank you for the opportunity to testify this

evening. My name is Brian Krannawitter; its B-r-i-a-n, last name is spelled K-r-a-n-n-a-w-i-t-t-e-r. And I'm the government relations director for the American Heart Association here in Nebraska. Just to reiterate what my colleague, Nick Faustman of the American Cancer Society, said, we also do support the, the appropriation of \$500,000 for tobacco prevention association. As Nick indicated, e-cigarette youth rates have skyrocketed. And as you may have noticed as well, the federal government did raise the age to 21. So we have a lot of youth that are addicted to these products and could use help quitting the addiction. And also, since I'm up here. I would make a, a bit of a pitch here for heart and stroke system funding. Cardiovascular disease remains the leading cause of death in the United States. And just a little bit of history here. Senator Stinner and Senator Hilkemann, I believe, were on the Appropriations Committee when I came here about five, six years ago. And at that time we were involved. In what is called a, a Mission Lifeline STEMI. And that-- STEMI is the most dangerous type of heart attack. And my mom actually had a STEMI and, fortunately, survived. And we were engaged in a, a process at the time-- in a project, I should say-- where we were focusing on STEMI. And one of the key components of that was funding what they called 12-lead monitors for our EMS units. With the help of the Legislature and our own fundraising that we did, I think it was over 100 different EMS services were equipped with this lifesaving equipment. And I must tell you, anecdotally, I hear, time to time, how these were used in saves. So the work that you do truly does have an impact on people's lives, and sometimes even saves their lives. And I can tell you from my own experience with my mom, she survived, due in part-- she's from Kansas but, fortunately, they had this equipment, and they had just received it a few months earlier. And they detected the STEMI, and they got her to the appropriate hospital and saved her life. We are engaged in a similar type of project right now, called Mission: Lifeline Stroke, where we're working with hospitals, EMS, to improve our stroke system of care. And I guess my pitch I'm making here is particularly on the data side, 'cause that old saying: you can't improve performance until you measure it. A-- I would just pitch for, you know, a consistent line-item funding so we continue, continue to sustain the work that's already occurred, and continue to save lives on both the stroke and heart front and all in there. But I would be remiss if I missed anybody that was on the committee then-- my memory is failing me here-- but I know at least Senator Stinner and Senator Hilkemannin were, and Senator Bolz was, as well. Thank you for

approving that appropriation five years ago because it's, it's helped to save lives. And that concludes my testimony.

STINNER: Any questions? Seeing none, thank you.

BRIAN KRANNAWITTER: Thank you.

STINNER: Anybody else in a neutral capacity? Seeing none, I have two letters: one from Trilogy Integrated Resources-- sent in a letter for a program, behavioral-- in behavioral health; Friends of Public Health sent a letter for a program-- public health. That concludes our hearings on Agency 25 and our hearings for this evening. Thank you all for staying, and drive careful.