

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Executive Board February 22, 2019

**HILGERS:** [00:00:00] All right. Good afternoon. Welcome to the public hearing of the Executive Board Committee. My name is Mike Hilgers. I represent District 21, which is northwest Lincoln and Lancaster County, and I'm the Chair of this committee. We'll begin with introductions. To my right is Janice Satra, the legal counsel of the committee. To my far right is Paige Edwards, the clerk of the committee. Our page today is Kelsey Loseke from Blair. The Vice Chair of the committee is Senator Vargas. And we will start with member introductions, starting with Senator Lowe. [00:00:31][30.5]

**LOWE:** [00:00:33] I'm State Senator John Lowe from Kearney.  
[00:00:33][0.2]

**BOLZ:** [00:00:34] Senator Kate Bolz, District 29. [00:00:35][0.6]

**KOLTERMAN:** [00:00:37] Senator Mark Kolterman, District 24.  
[00:00:38][1.4]

**McCOLLISTER:** [00:00:39] John McCollister, District 20. [00:00:40][1.4]

**HILGERS:** [00:00:43] Before we go over a few of the ground rules, can I get a sense of who, by a show of hands, who intends to testify today. OK. All right. So we will-- we will do five minutes for testifiers today. This, I make this sort of preliminary note because this committee only meets over the lunch hour. We have a limited amount of time. We have to actually vacate this room by 1:25. Doesn't look like that will be an issue today. That being said, you testifiers will go in the order of opening, proponent, opponent, and neutral. Testifiers will have five minutes. If you do come up to testify, please fill out a green sheet, give it to the clerk or the page. And if you wish to just have your name listed in the record, there's a white sheet in the back and you can fill out your name there. You will get four minutes before the yellow light will show. When the yellow light hits you have one minute. And when it's red that is the-- that is the stop time. We have two items on our agenda today, LB631 and then LR15. We'll go in that order. And without further ado, we will start with LB631 from Senator Morfeld. Senator Morfeld, welcome. [00:01:47][64.0]

**MORFELD:** [00:01:48] Thank you, Chairman Hilgers. Members of the Executive Board, my name is Adam Morfeld, that's A-d-a-m M-o-r-f-e-l-d, representing the "Fighting" 46 Legislative District, here today to introduce LB631, a bill to create the Medicaid Expansion Implementation Task Force. Before I forget, start with my formal comments here, I do want to note that we received a surprising and good amount of positive response in terms of people that want to

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testify and support. Given the time restrictions with this committee, I did ask that almost everybody submit letters of support. So instead of having 10 or 15 people come and testify, I know that you received them. But I do want to read all of the people in support and it will save you a lot of time anyway, so-- so bear with me: the Cancer Action Network; Nebraska Appleseed; CAFCON; Center for Rural Affairs, who also provided a lot of great information; HCAN; Leukemia and Lymphoma Society; Lancaster Board of Commis-- Lancaster County Board of Commissioners; Nebraska Academy of Family Physicians; NABHO; the Nebraska Occupational Therapy Association; Nebraska Physical Therapy Association; and the Nebraska Psychological Association. That's just the letters that I have in my-- in my binder. I know that there are several others that also submitted letters of support as well. And I-- I also asked that at least one physician and somebody from the Hospital's Association testify today, too, because they-- they represent a broad range of-- of individuals that would be affected by Medicaid expansion. So with that being said, in the general election of 2018 Nebraska voters approved the ballot Initiative 427, which amends the Nebraska Medical Assistance Act to expand eligibility to cover adults aged 19 to 64 whose incomes are 138 percent of the federal poverty level and to maximize federal participation to fund the healthcare of such individuals. LB631 was introduced to ensure that the implementation is successful and efficient. It's important that key stakeholders, such as the Chairs of Judiciary, HHS, and Appropriations, all three of which wrote a letter of support for this legislation, this task force, are brought up to speed on this population since many of those issues coincide with their committee jurisdictions. I am grateful all three Chairs wrote that letter of support, supporting the committee and supporting the creation of this task force and them sitting on it. This is a complex issue with many different parts. It also gives us the opportunity to study best practices that have worked in other states and to find ways to innovate on practices that will work in ours. The Medicaid Expansion Implementation Task Force will consist of seven voting members: the Chairs of Appropriations, Health and Human Services, and Judiciary Committees or their designees, plus three members of the-- appointed by the Executive Board. Seven nonvoting members will be appointed representing a licensed healthcare provider; a licensed behavioral healthcare provider; a hospital representative; a rural healthcare representative; a business representative; a political subdivision whose constituency is impacted by Medicaid expansion; and a healthcare consumer. In addition, because of the-- we also have an amendment that would also add in FQHCs since they will be serving a pretty broad portion of this population as well. So we didn't mean to leave them out and we have an amendment to that effect. The task force will meet

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in the interim and will host meetings in each of these three Congressional districts, of our three Congressional districts. A report will be issued as to the findings and if we come to some recommendations by December 1, 2019, and December 1, 2020. The task force expires December 31, 2020, I believe, unless action is taken by the Legislature to extend it. Since the introduce-- introduction of LB631, I also have that amendment with the FQHCs. In the interest of time I've asked supporters to send letters to make it as part of the record. However, I've invited a representative of the Hospital Association and a practicing physician to share this thought, their thoughts on this measure. I urge your favorable consideration of LB631, and I'd be happy to answer any questions. [00:06:02][254.5]

**HILGERS:** [00:06:03] Thank you, Senator Morfeld. Are there questions? Seeing none, thank-- oh, Senator McCollister. [00:06:08][4.9]

**McCOLLISTER:** [00:06:08] Yeah, Thank you, Chairman Hilgers. How many people will serve on this task force? [00:06:13][4.2]

**MORFELD:** [00:06:13] So I-- I may have misspoke. If you look on page two, it's six voting members, not seven, so six voting members which would be legislators and then there's eight if you include F-- FQHCs, eight outside, nonlegislative, nonvoting members. So to answer your question, it would be 14 in an ideal world, 13 as the bill is written. [00:06:33][19.4]

**McCOLLISTER:** [00:06:33] Have you received any indication of support from the administration on this [INAUDIBLE]? [00:06:37][4.2]

**MORFELD:** [00:06:37] I believe there's somebody here to testify in opposition but that's-- [00:06:41][4.1]

**McCOLLISTER:** [00:06:41] OK. [00:06:41][0.0]

**MORFELD:** [00:06:42] Yeah. [00:06:42][0.2]

**McCOLLISTER:** [00:06:42] Thank you. [00:06:43][0.4]

**HILGERS:** [00:06:43] Thank you, Senator McCollister. Are there other questions? Seeing none, thank you, Senator Morfeld. Thank you for the-- [00:06:49][6.4]

**MORFELD:** [00:06:49] Yes. [00:06:49][0.0]

**HILGERS:** [00:06:49] --consideration of the committee's time. [00:06:50][0.3]

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**MORFELD:** [00:06:50] Yes, thank you. [00:06:51][1.2]

**HILGERS:** [00:06:51] Proponents for LB631 wishing to testify.  
[00:06:54][3.1]

**JOSUE GUTIERREZ:** [00:07:00] Good afternoon. [00:07:01][1.5]

**HILGERS:** [00:07:02] Welcome. [00:07:02][0.0]

**JOSUE GUTIERREZ:** [00:07:02] Thank you for the opportunity to testify. My name is Josue Gutierrez. That's J-o-s-u-e G-u-t-i-e-r-r-e-z. Hopefully I didn't use all my five minutes on that. Now I'm representing the NAFFP, Nebraska Academy of Family Physicians, as well as the NMA, which is the Nebraska Medical Association. And I'll be very honest with you. When both of our organizations read this bill that was being proposed, we were excited because this bill will create a group of expert stakeholders from diverse backgrounds they will work in conjunction to provide input to this, for this large endeavor, which is Medicaid expansion. I'm a rural physician in Crete and I see firsthand how this bill will touch many of my patients. I have had the opportunity to set up a free medical clinic for the uninsured and underinsured and many of those patients before that were getting care for their diabetic crises or [INAUDIBLE] COPD exacerbations at the ERs, this will hopefully change with this Medicaid expansion. This was costly not only to them but as to the healthcare system as a whole. So these-- these patients will be greatly benefited. Having said that though, we also must be aware of the resources that are going to be invested in this expansion. As good stewards of healthcare dollars, we must be able to measure quality, measure outcomes, and have the ability to study where is investment that's actually needed to truly have the largest impact to the health of all Nebraskans. Programs and measures to evaluate health outcomes are essential. So we have to have transparency, which is very crucial in trying to improve outcomes. The Medicare Shared Savings Program is an example of one such program that outcomes information is publicly available. These programs have allowed for improvements on multiple quality measures for their patients. And the bill that is currently being proposed is-- does provide the initial framework for such endeavor with Medicaid. Furthermore, we seek-- we see this task force as an opportunity to provide that bridge bringing physicians and professionals that are on the front lines of patient care to collaborate together with legislators to share their expertise. We commend you for enhancing the partnership between the multiple stakeholders in the complex world that is healthcare, which is becoming even more complex as we speak. But please, let me know if the Nebraska Academy of Physicians or the

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NMA can provide you with resources. And if there's any questions, let me know what we can do and be of service. [00:09:42][159.8]

**HILGERS:** [00:09:42] Thank for your testimony, Doctor. Are there questions? Seeing none, thank you for coming down here.  
[00:09:49][6.8]

**JOSUE GUTIERREZ:** [00:09:50] Thank you. [00:09:50][0.1]

**HILGERS:** [00:09:50] Other proponents for LB631. Welcome.  
[00:09:51][0.6]

**ANDY HALE:** [00:09:55] Thank you, Chairman Hilgers, members of the committee. My name is Andy Hale, A-n-d-y H-a-l-e, and I'm vice president of Advocacy for the Nebraska Hospital Association. Want to commend Senator Morfeld and his staff for bringing this bill on this task force. We think it's important as a hospital that we-- we take this rollout very seriously and we work together. We've had two major rollouts prior to this. In 2014 we had an APR DRG formula rollout, which was how our inpatient hospitals or PPS hospitals, our bigger hospitals, were reimbursed. Senator Vargas and Senator Bolz had worked on this issue with us and it was-- the state had flawed data. It cost our hospitals about 6 percent in Medicaid reimbursement loss. Coupled that with the match so that was at least a 12 to 13 percent that our hospitals had lost on this rollout. We had worked with the state. Each year had gone by and there were more and more problems. That issue is now behind us. But it-- it cost a lot of our hospitals probably over \$12 million a year combined on this issue. And we weren't working together at that time and there were a lot of issues. It was under a previous administration so I won't go into that much further. The next major rollout was in 2017 with Heritage Health and the MCOs, the managed care organizations. That rollout was pretty tough. In the first six months, we had a hearing and it was discovered that there were \$27 million of underpayments to Medicaid providers; \$24 point, or, excuse me, \$24 million of that was for hospitals. That was over 10,000 claims that were due past 60 days. And so we had our hospital staff struggling, scrambling to-- to meet these demands. They had to change staff and hire staff to-- to really fix this problem of these underpayments. And now, to everyone's credit, the problems are less and few and far between. I'd credit Dr. Van Patton's team, specifically Rocky Thompson, Heather Leschinsky, and Carmen Bachle. They've done a great job to improve that. But I think if we would have worked with them together in the beginning, we would have avoided all of these. And so this is a recommendation we would like to see now. Dr. Van Patton testified Wednesday in front of the HHS Committee that

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there would be 94,000 people coming on to the Medicaid rolls because of expansion. That is obviously a great number of people. I know the MCOs are busy and trying to do the best job they can, but that is going to be overwhelming. And so the time that we work together and figure out this process is greatly appreciated. And again, I want to commend Senator Morfeld. He does have a hospital designee on there along with all the other stakeholders, so I think it's important that we work together, lockstep with the Governor and with all the stakeholders moving forward. [00:13:11][195.8]

**HILGERS:** [00:13:11] Thank you, Mr. Hale. Are there questions? Senator Kolterman. [00:13:16][4.9]

**KOLTERMAN:** [00:13:18] With-- with the hospital designee, would that be from critical access hospitals? Does it matter? Or-- or just the bigger hospitals? [00:13:26][7.5]

**ANDY HALE:** [00:13:27] I think right now we have a internal task force that we will be implementing here in a couple of weeks to address Medicaid rollout, the expansion rollout. That is represented. You actually have Jim Ulrich from York General Hospital's on that committee. It's a diverse makeup of CFOs and CEOs from our PPS hospitals and our critical access hospitals. So I would probably defer to that group to see who would represent them. [00:13:54][26.9]

**KOLTERMAN:** [00:13:54] Thank you. [00:13:56][1.3]

**HILGERS:** [00:13:56] Thank you, Senator Kolterman. Other questions? Seeing none, thank you for your testimony. [00:14:00][3.8]

**ANDY HALE:** [00:14:01] Thank you, Senator. [00:14:01][0.0]

**HILGERS:** [00:14:01] Other proponents wishing to testify for LB631. Seeing none, anyone wishing to testify in opposition? Welcome. [00:14:09][8.4]

**MATTHEW VAN PATTON:** [00:14:24] How do you do, sir. Good afternoon, Mr. Chairman and members of the Executive Board. My name is Dr. Matthew Van Patton, that's M-a-t-t-h-e-w V-a-n P-a-t-t-o-n, and I serve as the director of the Division of Medicaid and Long-Term Care in the Nebraska Department of Health and Human Services. I am here to testify in opposition to LB631. LB631 creates a Medicaid Expansion Task Force. This task force would be required to hold a public hearing in each of the Nebraska's three Congressional districts and submit a report annually on December 1, beginning this year, detailing the task force's findings and recommendations. As written, DHHS is not a

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participant in the task force. However, it is assumed the department would be required to provide data and information as requested. Successfully implementing Medicaid expansion as a task force that-- is a task the department takes seriously and we appreciate the Legislature's shared interest in the successful implementation. However, the creation of a Medicaid Expansion Task Force will not help in implementing this program. The Division of Medicaid and Long-Term Care, MLTC, has two primary objections to this bill. Not only would compiling data and information requested by this task force stretch our already limited resources and staff, but it would be duplicative of current legislative oversight of the Medicaid program. According to the bill, this task force would be able to request, obtain, and review a variety of information, including reports, audits, and data. State and federal law tightly controls the use of Medicaid data and the division cannot guarantee it would be able to provide everything this task force requests due to these legal impediments. For the requests MLTC would be able to fulfill, we would anticipate a notable impact to division staff time. Based on similar information gathering and reporting in the past, one report can take up to 71 hours of staff time. These are the same resources already working on Medicaid expansion implementation. MLTC has no objections to being transparent and to oversight. The division values transparency and engagement with all stakeholders, which is why we have established a dedicated Medicaid expansion Web site available at Department of Health and Human Services.ne.gov [SIC]. Creating a separate Medicaid Expansion Task Force would be duplicative of legislative oversight, the Medicaid program, as the Health and Human Services Committee has permanent oversight over the Medicaid program. This committee is fully able to provide oversight of our Medicaid expansion efforts. They are able to call a hearing related to this or anything else related to Medicaid at any time. MLTC is diligently working toward implementing the Medicaid expansion program. Over the past several months we have gathered information and lessons learned from a variety of stakeholders, including other states, think tanks, and advocacy organizations. This work is being used to develop the state plan amendments and the concept paper we will submit to the federal government on April 1. Placing the additional requirements of LB631 on our staff will serve to slow down the implementation process. We asked for the Executive Board not to advance this bill and instead continue to allow the Health and Human Services Committee to perform its oversight of the Medicaid program. For these reasons, we oppose LB631. Thank you for the opportunity to testify. This concludes my remarks.

[00:18:20] [235.8]

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**HILGERS:** [00:18:21] Thank you, Doctor. Are there questions? Senator Kolterman. [00:18:23][2.0]

**KOLTERMAN:** [00:18:25] Thank you for being here today, Dr. Van Patton. Are you-- are you going to make your deadline of April 1? [00:18:32][6.7]

**MATTHEW VAN PATTON:** [00:18:32] Yes, sir. [00:18:34][1.6]

**KOLTERMAN:** [00:18:35] Is there any plans to-- what kind of transparency plans do you have involved with that report that you'll be submitting? [00:18:43][7.7]

**MATTHEW VAN PATTON:** [00:18:46] So it's a very good question, Senator. And again, I go back to the Web site that we created shortly after expansion passed to outline our intent. We've also had-- and keep the public informed as-- as we move through what we categorize as eight swim lanes of work that will constitute the implementation rollout or create the product that will be the expansion product for the marketplace. And so we have created the Web site and we make regular updates as we move through components of the build. We've educated the public on exactly what we're doing, for example, explaining what a state plan amendment is, or a SPA, or explaining the tribal notices that we give out. So if you pull up that Web site, you'll see everything that we're working on consistently as we move through that process. We also have already briefed Senator Howard, in her capacity as Chair, on the swim lanes and even today as we follow this committee. I know there are several members on this committee, we'll be doing a briefing to cover the swim lanes we're currently working in as we prepare for expansion, and we'll be doing that with the Appropriations Committee. So those con-- those conversations are already out there and are occurring. We've had a couple of interviews with a couple of journalists, one-- one of which I noticed is in the room today and there's been an article published based on the swim lanes that we're working in. So we're-- we're educating on the process, we're educating on the components, and I feel we've been very transparent about what we're doing and why we're doing it and the constructs with which we're working in, Senator. [00:20:19][93.2]

**KOLTERMAN:** [00:20:20] So you feel comfortable that all the-- all the goals that you set will be met. From an implementation perspective, if you've got these swim lanes or whatever, however you want to refer to them, [00:20:31][11.0]

**MATTHEW VAN PATTON:** [00:20:33] Sure. [00:20:33][0.0]

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**KOLTERMAN:** [00:20:33] --where do the MCOs fit in? Are they-- they have the capabilities of handling the additional 90,000--some people that we're going to be adding? And-- and the second part of my question is, as you roll out the expansion, you can't really give them something different than what you're doing for the current enrollees, can you?  
[00:20:53][20.5]

**MATTHEW VAN PATTON:** [00:20:54] So several questions in there. Let me--  
[00:20:56][1.8]

**KOLTERMAN:** [00:20:56] Right. [00:20:56][0.0]

**MATTHEW VAN PATTON:** [00:20:56] --let me unpack it and break it, break it apart for you. That's going back to the capability that not only the state will have to incur but also our MCOs as they are the administrators of the plan on the state's behalf. And so when you look across those eight swim lanes, one-- two of those components are our contracts that we will have to amend with the MCOs to accommodate the expansion population within the constructs of their enterprise. But then, too, on the technology side, their systems have to be configured to account for the eligibility and the benefit package that they will be administering. So there's a tech build on their side. And so with any-- any enterprise, going back to my hospital days, anytime we've-- we've made a new tech platform and we implemented it, you always have to take into account the impact that that has on your business paradigm. So as we're-- we're meeting with these various stakeholders, as we're having these conversations with other states, we've been working within the construct of the first three months of this quarter in what I would consider active research engagement, collecting as many facts as we can to determine exactly what our bill time line is going to be. Because when we do release that-- that-- that state plan amendment to the federal government, and that begins our negotiations or our conversation with the federal government about the plan, we will go live date in there. And what's important for me, Senator, is that when we put that date out there I have taken into account, to my best effort possible, all the variables that we think we're going to be building to so that I make a fair and reasonable date, so that I hit it. As you know, I know you and I've had several conversations about how I manage the Medicaid program. And for me shifting our management paradigm to holding ourselves accountable to the objectives of the quadruple lane is of paramount importance to me. And for the other members of the committee who don't-- maybe do not know what that is, that is, number one, managing to improving the beneficiary experience of care in both quality and satisfaction; that's improving the provider experience of care in quality and

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satisfaction; improving the health of populations; and reducing the per capita cost of healthcare. And so when I build this program with my team, and know all the input from all the stakeholders and other folks who've come in to share their perspective, getting that product right so that we hit it from the standpoint of the experience the beneficiary has when they're engaged and they're eligible and they get out into the-- to the marketplace to find a provider, we want that provider to have a good experience when they engage with them. So as you're creating a product for the marketplace, that perspective is very much important at the forefront of my mind as well.

[00:23:42][165.4]

**KOLTERMAN:** [00:23:42] Can-- one more question? [00:23:42][0.0]

**HILGERS:** [00:23:43] Please. [00:23:43][0.0]

**KOLTERMAN:** [00:23:43] Thank you. The final question is, at the end of the day the go live date, will that be at the end of the year? And then finally at-- at the end of the day when you go live, we add this 96,000, what's the total going to be in our state, number of-- number of enrollees, estimated total enrollees in our-- in our state Medicaid program? [00:24:08][24.3]

**MATTHEW VAN PATTON:** [00:24:08] So we have estimated it to be about 94,000 at this point, and we've looked at that from different data sources, census data, anticipating, based on some existing populations served by the state, folks who are currently on the exchange that would be coming over. So we feel like we've got as good of an estimate of the number as we possibly can have at this time. That said, Senator, there will always be factors in the marketplace that may dictate a bump up or even a bump down in our estimation. So that reality does exist. But we do feel like we've-- we've done our best effort to get to a number we feel like will be anticipated for this population. I'm sorry, will you refresh my memory on your second question? [00:24:50][41.9]

**KOLTERMAN:** [00:24:50] At the end of the day, what's the total number of population on Medicaid expan--or on Medicaid? [00:24:54][3.5]

**MATTHEW VAN PATTON:** [00:24:55] So we currently have 245,000 plus an additional 94,000 is what we would anticipate. [00:25:00][5.1]

**KOLTERMAN:** [00:25:01] And the go live date? [00:25:01][-0.1]

**MATTHEW VAN PATTON:** [00:25:01] The go live date is not yet set. And so I have been very cautious in putting any kind of expectations out

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there because there are still variables as late as yesterday, especially on the tech build, across our internal systems as well as our external partners' systems, that we still do not have a good read on the exact amount of time it will take to accommodate those tech components. So we will have it once we-- we submit the state plan. And as soon as we have that date we'll make sure that it gets communicated back to stakeholders who have an interest. [00:25:33][32.7]

**KOLTERMAN:** [00:25:34] Thank you. [00:25:34][0.0]

**HILGERS:** [00:25:34] Yes, sir. [00:25:34][0.1]

**HILGERS:** [00:25:34] Thank you, Senator Kolterman. Senator Bolz, then Speaker Scheer, McCollister, Vargas, and others. Go ahead, Senator Bolz. [00:25:41][6.6]

**BOLZ:** [00:25:41] Thank you, Senator Hilgers. Director Van Patton, is the Department of Health and Human Services, Division of Medicaid, are you subject to the Freedom of Information Act. [00:25:50][9.5]

**MATTHEW VAN PATTON:** [00:25:50] Of course. Yes, ma'am. [00:25:52][1.3]

**BOLZ:** [00:25:53] So I-- I really am baffled to-- to understand how the provisions of this bill, this proposal, would create any higher bar than what is existing under the Freedom of Information Act. I think currently under the Freedom of Information Act, I can ask for data and reports and publicly produced materials. What is it in this, this proposal, that is in any way different from what I can already access? [00:26:17][24.3]

**MATTHEW VAN PATTON:** [00:26:18] Sure. So as Medicaid is a protected population under federal authority, there are components of the way data is contextualized and presented that we have to ensure that you cannot break it down to the point that you could identify individuals within certain populations. And in a state like Nebraska, where you have counties that have very low population concentrations, in theory you could get into data sets where you break it down to the point that where someone could be identified. And so that is a very pointed concern for both the state as well as the higher authority of the federal government, who has a partnership role in the administration of the program. [00:26:57][39.1]

**BOLZ:** [00:26:58] I-- I'm still confused because I-- I don't see any specific language in this proposal that in any way set-- set-- says or suggests that we would be asking for protected information. The section I see is, "To accomplish the objectives set forth in this

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section, the task force made request, obtain, review, and analyze information relating to public health issues in Nebraska and other states, including, but not limited to, reports, audits, data, projections, and statistics." It seems to me that either as a citizen under the Freedom of Information Act or as a sitting state senator using the powers and authorities of my office, I may already ask all those things. So I'm not sure how this proposal sets a higher burden. [00:27:36][38.0]

**MATTHEW VAN PATTON:** [00:27:38] Well, it depends on how the question is asked specific to data. First of all, I think that's the most salient point that needs to be made in reply to your-- your question. The second piece to this is you are right, we do provide data to you as a senator. [00:27:51][13.2]

**BOLZ:** [00:27:52] Uh-huh. [00:27:52][0.0]

**MATTHEW VAN PATTON:** [00:27:53] The constructs of this committee include additional entities beyond the constructs of the Unicameral's authority. So we have to take that into account as well. The third piece that I would tell you is of concern is again what was iterated in my testimony. It is taking a considerable amount of our staff time. We have turned our focus to advancing the expansion planning that's necessary to accommodate that April 1 deadline, first of all. Second of all, I can never reiterate enough that we also have an existing 240,000 beneficiaries that we're responsible for administering the current plan for. And so staff time split between our existing duties for the administration of that plan, as well as the planning for this, our staff are stretched thin. And so not knowing the scope of work or what expectations would be put on us presents a challenge when it comes to potential requests for large data extractions. And we do have limited staff in that capacity. [00:28:53][60.1]

**BOLZ:** [00:28:55] Right. Well, I-- I appreciate your perspective that there-- there may be additional burdens placed on your division. But it's my responsibility as a state senator to review the information as provided to me in the proposal in front of me. And I don't see anything in this proposal, in this specific recommendation, that insinuates that the task force would be asking for things above and beyond. One question-- I guess a couple more questions. One is did-- refresh my memory. In your budget request did you request any additional funding for additional administrative or support staff so that you wouldn't be stretched so thin? I want to work to-- to support that request if you did in fact do that. [00:29:40][45.2]

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**MATTHEW VAN PATTON:** [00:29:41] I'm sorry, Senator, I don't have my exact numbers in front of me. So without having that data, I can't really comment and would refrain from doing so but will be glad to have that conversation with you off line. [00:29:51][9.8]

**BOLZ:** [00:29:52] It just seems to me that rather than sort of saying that-- that this would stretch your staff too thin I would-- I would be more inclined to say what is the staff support that you need to make sure that you're providing transparent, quality-connected information? [00:30:07][15.3]

**MATTHEW VAN PATTON:** [00:30:08] And you will hear in-- in the next committee hearing that we're participating in, as we talk about the swim lanes, that one of our considerations is the staffing infrastructure that-- [00:30:17][9.4]

**BOLZ:** [00:30:18] So for appropriately staffing and providing that infrastructure then requests for information from an organized entity I think become easier to grant, and perhaps even less burdensome under this proposal if you are getting requests from one organized entity rather than multiple requests from multiple stakeholders asking for multiple types of information. I have one more question for you. I realize that this was prior to your time as director, but you-- you remain responsible for the implementation of the managed care organizations. Do you think that that rollout went as smoothly as it could have possibly gone? [00:31:01][42.5]

**MATTHEW VAN PATTON:** [00:31:03] You are correct. That rollout did occur prior to my administration. And you are also correct that coming in I have administered what I consider to be significant engagement and oversight of that function that is managed on behalf of the state. What I will tell you, Senator, is that I would consider Heritage Health as a construct of managed care as I would any business line that I prepared for any business I started or in my days as a hospital executive planning new service lines. You always have a three-year period of start-up and implementation, and you do not normalize business cadence usually with large endeavors until about year three, which is what we're entering into. Now that being said, when I look back across the data, and I think you know me well enough to know I'm a very data-driven person, when I look back across the data and I look at the number of open issues that are on our issues log from onset, which had over 200 open issues across each of the three plans, which is to be expected, again, in the rollout of a new business line, to where we are today with our open issues log. If you heard testimony earlier in the week as I gave testimony to the Health and Human

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Services Committee about where we were with the Medicaid program, our issues log across all four health plans, across all providers in this state at that day was four. [00:32:21][78.7]

**BOLZ:** [00:32:23] Uh-huh. [00:32:23][0.0]

**MATTHEW VAN PATTON:** [00:32:24] That is an incredible testimony to the engagement that the team has had at the Medicaid department as well as the partnership that we have with those MCOs and a commitment to creating a quality product for the marketplace. And again holding ourselves to aims that are consistently applied, managing to the experience of the beneficiary, managing to the experience of the provider, again, those are forefront principles for me as I'm managing this program. [00:32:51][26.8]

**BOLZ:** [00:32:52] OK. Well, congratulations to you in making that progress and to your-- [00:32:54][1.9]

**MATTHEW VAN PATTON:** [00:32:54] I would say my team. Thank you. [00:32:56][1.4]

**BOLZ:** [00:32:56] --to your whole team. As someone who was involved in that work at that time when-- when it, as you reflect, a significant systems change was being implemented, I would say that-- that the stakeholders across the state had some struggles and some challenges. And I think lesson learned from previous experience is that had those folks been at the table from the beginning we probably could have avoided some of the challenges that-- that we saw in the rollout on the MCO. And so I think some of the same lessons learned probably apply here that, you know, as you say, it takes multiple years to roll out and normalize. I think this affords us an opportunity to do that together. Thanks. Thanks for having the dialogue with me. I'll turn it back. [00:33:39][43.2]

**HILGERS:** [00:33:39] Thank you, Senator Bolz. Speaker Scheer. [00:33:40][1.1]

**SCHEER:** [00:33:41] Thank you, Senator Hilgers. Thanks for stopping down this morning. [00:33:45][4.3]

**MATTHEW VAN PATTON:** [00:33:45] Yes, sir. [00:33:45][0.2]

**SCHEER:** [00:33:45] I look at things somewhat simplistically. Whatever we end up with, it is my understanding the product is identical regardless if you happen to be in an expanded class or a existing

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class. Everyone still ends up with the same product, correct?

[00:34:08][23.0]

**MATTHEW VAN PATTON:** [00:34:09] So there are, within the constructs of the Medicaid program, there are required components of that program in terms of beneficiary elements. And then there are what the state applies to beneficiary element. So in Nebraska, for example, basic elements would be hospitalization. But Nebraska has decided to cover additional elements that are beyond what the federal government requires, so example-- for example, over-the-counter drugs are currently covered. [00:34:40][30.3]

**SCHEER:** [00:34:40] Fair enough. And I'm not asking for that. My-- my question is, if Senator Kolterman is an existing recipient and I am an expanded one, at the end, once we are both implemented, is his coverage any different than mine? [00:34:57][16.7]

**MATTHEW VAN PATTON:** [00:34:58] So that's-- that's where we are at this point is deciding what's in the benefit package. And of course if you look at the way-- [00:35:04][6.4]

**SCHEER:** [00:35:05] OK, but what is in the benefit, his may change, but whatever you end up with would be identical regardless if you are existing or new. Is that the case? [00:35:16][11.2]

**MATTHEW VAN PATTON:** [00:35:16] So-- so within our current package, the eligibility criteria for existing beneficiaries is all the same at this-- at this juncture. Now the population that we'll be working in, the expansion population, again, that's where you have to start this dialogue with the federal government. So it may be different as we begin to move forward. There are other elements that we'll have to consider as we expand the population. So again, you have those basic elements. Our intention is to keep the base package as it is, but we also are looking at how we manage that population effectively because we know from learnings that we've had from a dialogue with other states that the population comes in with a higher level of acuity as well as more complex comorbidities. So what that tells me, Senator, is that up-front we'll need to wraparound what I consider care and case management protocols with this population to get them on boarded into the benefit. But to do that, when you say care management, that has a clinical element. So that's managing the components of their care that take them on a path to wellness and health. The case management side is managing and working within the constructs of social and economic determinants of health. And so our intent is to create a system that allows us to wrap those things around but create a-- a-- a tiered package that lets you move up in options. So we track you up by

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engaging with you and putting you in a space that allows you, if you're working, let's say, smoking sensation or if you're working on obesity management, maybe within the construct of a value add then you move into, for that member, a gym membership. And I'm just saying theoretically. This is-- this is all something that could be considered as we write this narrative. So at this juncture you've got your basic package elements, but then you have an engagement system that moves those individuals up into various, what I would consider, value adds at this juncture. [00:37:12][116.0]

**SCHEER:** [00:37:13] OK. But I don't believe you answered my question. My question is, when both are instituted, is there going to be any difference between a current recipient and the newer recipient? [00:37:28][14.4]

**MATTHEW VAN PATTON:** [00:37:30] A current recipient meaning the constructs of the eligibility criteria? [00:37:33][2.9]

**SCHEER:** [00:37:34] Right now, if-- if I am a recipient on the Medicaid providers. [00:37:37][2.8]

**MATTHEW VAN PATTON:** [00:37:39] Right. I understand. [00:37:39][0.5]

**SCHEER:** [00:37:40] OK. Well, if you understand me then I would like the question answered. [00:37:43][3.6]

**MATTHEW VAN PATTON:** [00:37:44] Well, and that-- [00:37:44][0.3]

**SCHEER:** [00:37:44] Is there-- is there going to be a difference between what is currently provided an individual right now under the program and what will be provided a person that will be in the expanded class? [00:37:55][11.2]

**MATTHEW VAN PATTON:** [00:37:56] Well, and I don't mean to not answer your question, but I will say there are categories of eligibility which are different. So there are different levels of service for those different categories. OK? [00:38:05][9.5]

**SCHEER:** [00:38:06] I understand there may be differences but categories are categories. [00:38:08][2.0]

**MATTHEW VAN PATTON:** [00:38:09] Right. [00:38:09][0.0]

**SCHEER:** [00:38:10] OK. So I'm just wanting to know if there is going to be-- I don't-- I'm not asking which coverages may still be included o may not be included. My question is very simplistic. Are the

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coverages going to be the same for those that are currently--  
[00:38:24][14.8]

**MATTHEW VAN PATTON:** [00:38:24] Our intent at this point is that they are. The coverages will remain intact. Access to those different components for this population may be structured differently. It may be tiered. [00:38:35][11.0]

**SCHEER:** [00:38:36] OK. If indeed they are the same, then your system would be set up. Everyone would be-- the format would be the same for all individuals as far as computerization and coverages. So my-- and my question to you then, as to Senator Morfeld, as he comes back, is what is the benefit or what is the detriment in relationship to this bill? The concern I have and I talked a little bit to Senator Morfeld earlier, is if we're trying to get this up and operational then on an expedited basis, if this proposal doesn't provide input until the end of the year, does that push back the active date that might be possible without this? And-- and is the benefit, then, Senator Morfeld, is the benefit worth the time, benefit for the different coverages-- coverages? But, you know, I'm-- I guess I'm not assuming that this is going to go across flawlessly. You can't add 40 percent to your rolls and assume that there aren't going to be hiccups. And as were discussed several times as well, you know, how different providers either accept or not additional folks that may be covered in this, I mean there's a lot of unknowns. And so I-- I get, you know, where some of this is coming from. But I'm just trying to find out if-- if this becomes an impediment to get things done quicker or if it becomes a positive, because of the time element involved, pushing back perhaps a start date somehow it would improve the coverages that might be available. [00:40:37][120.5]

**MATTHEW VAN PATTON:** [00:40:40] I would say, Senator, as I read the bill, the intent of the report that would be do, it is ambiguous as to how that ties in with our current time line and our planning at this juncture. So that would be an unknown if this were to advance. So if-- if-- if the intent is to let that committee or that function work its will and then to bring information back, does that then cause the agency to pause efforts until findings were then made back to the agency at-- at that appointed date? That-- that is ambiguous to me at this juncture. [00:41:13][33.7]

**SCHEER:** [00:41:13] So if I make that assumption, if indeed this is instituted and can get up and operational in I'll say even 30-60 days, so if you say April 1 is the start date for this committee and their first report is due in December of this year, would that effectively

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put your department on pause in order to facilitate whatever that-- the committee work would be, via its report? [00:41:44][30.6]

**MATTHEW VAN PATTON:** [00:41:44] It could. Yes, sir. And-- and-- and let me also say that the function of the state plan amendment and why we have to file it, again, that's the contract that the state enters into with the federal government to administer the program. That's also again the dialogue where we begin to frame out the eligibility criteria, the benefit package, and the mechanism for financing the expansion program. So in many ways the narrative around what we intend to do as a state is already-- already framed in that state plan amendment. And that again is the opening dialogue that we as a state have with the federal government as they give us approval to implement the plans. We see its intent. So you have somewhat of a disconnect between the state plan amendment and then what would happen in the constructs of this enterprise that would progress over the course of the year. [00:42:33][48.4]

**SCHEER:** [00:42:34] OK. Thank you. Thank you, Senator. [00:42:34][0.0]

**HILGERS:** [00:42:34] Thank you, Speaker Scheer. Before-- you have questions, Senator McCollister? [00:42:38][3.7]

**McCOLLISTER:** [00:42:38] Senator Bolz asked my questions. [00:42:39][0.2]

**HILGERS:** [00:42:39] OK. Do you have a question, Senator Vargas? [00:42:39][0.0]

**VARGAS:** [00:42:39] You don't have a question [INAUDIBLE]? [00:42:39][0.0]

**McCOLLISTER:** [00:42:39] No. [00:42:39][0.0]

**VARGAS:** [00:42:39] OK. So one question about the-- you-- you stated-- thank you very much for coming, Dr. Van Patton. Two primary objections to this bill. The first was about being stretched beyond your already limited resources and staff. Maybe I'm a little confused because the fiscal note was done in collaboration with the Fiscal Office and the Department Health and Human Services to give a projection of what the actual costs and time constraints would be to then execute on this bill. But you're telling me that the information, this fiscal note, is incorrect and is not an accurate representation-- [00:43:25][46.0]

**MATTHEW VAN PATTON:** [00:43:25] No, I'm not. Our staffs, Senator, has worked hand in glove to again create numbers that we believe are

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reasonable to accommodate the expansion. Those were included in the Governor's budget and we stand by those numbers. That's-- that's where we are at this juncture. [00:43:41][16.2]

**VARGAS:** [00:43:43] Oh, let me rephrase then because I don't know if I got an answer to the question. The fiscal note is telling us that this is the cost to then make this bill happen. But your-- one of your two primary objections to this bill is it will overstretch you. So I'm try to figure out-- [00:43:58][15.2]

**MATTHEW VAN PATTON:** [00:43:59] Within the construct of my current resources at this point. [00:44:02][2.8]

**VARGAS:** [00:44:02] But-- but the fiscal note is not taking into account your current resources. It's meant to then take into account what you need to then execute a bill. [00:44:11][8.8]

**MATTHEW VAN PATTON:** [00:44:11] Correct. [00:44:11][0.0]

**VARGAS:** [00:44:13] So when you first-- said that for-- for even just the record, looking at this it shows a set amount. Like there's projections for the costs for different people: director, deputy director, administrative, health-- health data coordinator. And so why didn't in the original conversations you say that we need more people? It's very typical that when I have a bill and they say, listen, it's going to take more, it's going to be more expensive to then actually enact the costs of making this happen, and they ask for an additional FTE, they asked for three people, they say we-- we need \$250,000 and a whole new team of staff to then actually make this bill happen. That's neither the Governor's recommendation nor a policy recommendation. It is just what you need. So why didn't you-- why didn't DHHS or your department have that conversation with the Fiscal Office on the front end if this is your primary objective-- or projection?  
[00:45:03][49.7]

**MATTHEW VAN PATTON:** [00:45:03] Well, I think the perspective is to take it from the vantage point of where we are now with the resources we currently have at this juncture. And so when we constructed this fiscal note, it was taking into account the people that would be pulled in. [00:45:17][13.3]

**VARGAS:** [00:45:18] Uh-huh. [00:45:18][0.0]

**MATTHEW VAN PATTON:** [00:45:18] And that's where it is. [00:45:18][0.4]

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**VARGAS:** [00:45:19] So did something change between the last 48 to 72 hours when this was created to you putting your objections together? [00:45:30][10.8]

**MATTHEW VAN PATTON:** [00:45:31] I'm sorry, Senator. I'm not following the thread you're trying to weave here. [00:45:34][2.9]

**VARGAS:** [00:45:34] I'm-- I'm trying to, I'll be plain. I'm trying to understand, if your limited staff is one of the reasons, but you're asked in the fiscal note to tell us what you need to execute on a bill, that-- [00:45:44][9.6]

**MATTHEW VAN PATTON:** [00:45:45] I don't know that I would say a fiscal note tells you what I need. I think the fiscal note tells you the impact that it's going to have to the agency based on the resources currently at hand. And what's in here within the construct of this box are the resources that are at hand who at this moment in time would be engaged to embark on this endeavor. [00:46:04][19.4]

**VARGAS:** [00:46:05] Let me read the fiscal note. LB631 will create the Medicaid Expansion Task Force. The Division of Medicaid and Long-Term Care of the Department of Health and Human Services anticipates the task force will request data from the division to create the report. To compile data, MLTC anticipates the following staff time for each request of data. The costs will be absorbed by the department. This doesn't seem to align. That's why. It would be different if this was an accurate representation of what you needed and you said that versus this is one of the primary reasons why you're saying that this is-- you're-- you're objecting to this bill. So that's what I'm trying to figure out. [00:46:41][35.8]

**MATTHEW VAN PATTON:** [00:46:41] I think we see it very differently. I think it does align very clearly because my fiscal note tells you what the impact is going to be specific to the resources that I have right now. And my-- my narrative says that these resources currently in play within our infrastructure are already stretched thin as we're working on expansion among management of this enterprise and other things that are important to the business function of Medicaid daily, so. [00:47:05][24.0]

**VARGAS:** [00:47:06] That's-- I mean, we may agree to disagree on this one. But typically with our fiscal notes and the conversations we have with both the agencies, the Fiscal Offices, what is the cost to then execute the bill? And those conversations is a bit of a dance and it's a conversation with the agencies themselves. It's not done in isolation. I would hate to then go back to the Fiscal Office and ask

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them did, when you asked the agency and-- and your department and your division, were you accurately assessing the needs to then execute on this bill, or you were just doing it within what you currently have? I think we need the full picture of what you actually need to execute on this. There's a couple of additional questions. And I may have missed this, so if I did, I apologize, from Senator Bolz's question. When you talk about the second reason, about duplicative legislative oversight, and that you've engaged with-- with certain stakeholders, given the list of people that have come in support of this, are there individuals that have come in support of this task force that have not been engaged as part of the stakeholder engagement that your division has done? [00:48:21][75.6]

**MATTHEW VAN PATTON:** [00:48:23] So in terms of who all is on that list at this point, many of those names, Senator, I can tell you are very familiar to me. Folks have already come in. We've had very candid conversations with them. Appleseed, for example, was one. There have been others but off the top of my head without looking back through the calendar or the calendars of all my staff, I can't say who else has been in that may have been part of my-- my orbit that's aligned with-- with that or-- or not. I cannot say. [00:48:48][25.3]

**VARGAS:** [00:48:48] Yeah. And main reason I ask is if it's one of the reasons why you think it's duplicative, if there's a voice that's important that hasn't been engaged yet, and I would love a list, if you can share with us, on who you have engaged with, because if they are duplicative and they are the exact same, then maybe it is duplicative and we don't-- but if there are voices that haven't been engaged in an equitable way that will impact how you go forward, that would be really important to know, especially since you list that there are, you know, you do want to engage with stakeholders. I believe that that's what you want to do. You want to make sure people are not left out in the fold for this. The last question I have is this sort of feeding off of Speaker Scheer. He talked about-- and I was going to ask this question so I appreciate that he did this just on, you know, individuals that are currently, you know, covered versus will be covered in the extension and the expansion. Why would there be a difference in the system of care? Why would it need to be tiered, because you said that, that they may be tiered. Your intention is for them to be the same care and coverage, but why would it need to be tiered differently? [00:49:53][64.9]

**MATTHEW VAN PATTON:** [00:49:54] I think that gives people pathways to engagement, to get them to work within the constructs of active care management and to engage with them to really understand where they are

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in terms of their healthcare needs but to also engage with them to determine where they are in their social and economic determinants of health needs so that we can-- can actually get a very good history, date, baseline history and physical where we are with that, that individual so that we can effectively help them move up. And then to create a system by which we create incentives for them to engage in more wellness-related activities so that we get them back on a path to life success or wellness success. And this-- [00:50:32][38.5]

**VARGAS:** [00:50:34] When you do this-- [00:50:35][0.6]

**MATTHEW VAN PATTON:** [00:50:36] --this-- [00:50:36][0.0]

**VARGAS:** [00:50:37] --system-- OK. So-- [00:50:37][0.7]

**MATTHEW VAN PATTON:** [00:50:38] This construct, by the way, is already well applied in the free market. So, for example, you may have tiered benefits within the construct of an existing commercial plan that's already out there within private insurance. [00:50:49][11.0]

**VARGAS:** [00:50:50] I understand that. I just want to make sure that the same people that are currently on the program are getting the same benefits and coverage that people that are going to be in the expansion because that's what people voted for. The system of care, these tiers, are there people that you engaged as stakeholders that are opposed to this tiered system of care? [00:51:15][25.1]

**MATTHEW VAN PATTON:** [00:51:17] We've had broad construct conversations with folks as they've come in and we've educated them on the swim lanes that we're working in. We have put it out there around the constructs of working within the context, again, of active care management and case management-- [00:51:30][13.5]

**VARGAS:** [00:51:31] Uh-huh. Yeah. [00:51:31][0.0]

**MATTHEW VAN PATTON:** [00:51:31] --and working within that. So I can say from individuals that we have had that conversation with, there's interest in that. Again, it needs to be framed out. It needs to be written in narrative and I think that's where we're working to get there. So before I answer questions about what is or what isn't, I'd really like to continue to write that narrative and then let's introduce it in the form of the state plan amendment, once it goes out and folks have an opportunity to see that, that-- that narrative. [00:51:57][25.6]

**HILGERS:** [00:51:59] Do you have any more questions? [00:51:59][0.4]

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**VARGAS:** [00:51:59] Yes, [INAUDIBLE] as a last-- last follow-up [INAUDIBLE]. [00:51:59][0.0]

**HILGERS:** [00:51:59] Once again, if I might just briefly, how many people are left who would like to testify on this or LR15? I count two hands. OK. [00:52:10][10.5]

**VARGAS:** [00:52:10] OK. [00:52:10][0.0]

**HILGERS:** [00:52:13] Go ahead, Senator Vargas. I apologize. [00:52:14][0.9]

**VARGAS:** [00:52:14] I'll ask the question again just because it'd be really helpful for me. If one of the arguments is being duplicative of resources and then also duplicative of oversight, and we're looking at stakeholders, it'd be great to know which stakeholders are in opposition of this tiered system. Can you tell me some that you've had conversations with that are not aligned with the way that you're thinking about this tiered system of care? [00:52:36][21.3]

**MATTHEW VAN PATTON:** [00:52:37] Well, again, Senator, I think I've already answered the question by saying we've had conversations around the broad constructs of it. And how it would be formalized, we haven't reached that point. [00:52:46][8.7]

**VARGAS:** [00:52:47] OK. [00:52:47][0.0]

**MATTHEW VAN PATTON:** [00:52:47] So in theory, we've had conversational narratives again that sort of showcase how we're working within the constructs of creating a system that helps advance a wellness and a life success agenda. And I think on that front there's support of those initiatives in-- [00:53:01][14.6]

**VARGAS:** [00:53:02] OK. [00:53:02][0.0]

**MATTHEW VAN PATTON:** [00:53:03] --in there. But in terms of, you know, how we-- we frame that out, that remains to be decided at this juncture. [00:53:08][5.0]

**VARGAS:** [00:53:09] OK. So we don't have a list, no. OK. Well, thank you very much for your time, Dr. Van Patton. [00:53:13][3.8]

**HILGERS:** [00:53:14] Thank you, Senator Vargas. Are there other questions? Seeing none, thank you for your testimony. [00:53:19][4.9]

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**MATTHEW VAN PATTON:** [00:53:19] Thank you, Mr. Chairman.  
[00:53:19][0.2]

**HILGERS:** [00:53:20] Thank you for coming. Others wishing to testify in opposition to LB631? Seeing none, anyone wishing to testify in a neutral capacity? Seeing none, Senator Morfeld, you are welcome to close. [00:53:32][12.0]

**MORFELD:** [00:53:33] Well, it's a good thing I only invited two testifiers because I know you guys have another bill and I-- I have an Exec Session I got to run to. But I just wanted to say that I think that this conversation that we had was really productive with Mr. Van Patton, and I think it really illustrates the need for a task force because there's a lot of questions. And to be honest with you, other than hearing a lot about constructs, I-- I didn't hear a lot of answers. And that's not being me-- that's not me being rude or anything like that. It's just that while we are just having this discussion, and you guys asked a lot of great questions, many of the people that signed on to these letters were messaging me going, oh, my gosh, this is why we need a task force because there's a lot of things that we don't know about we've heard for the first time here and it's a big system. So I'll just say that, one, I think we just made the case for the need for a task force. There's a lot of questions, a lot of unanswered questions particularly with tiered benefits, current benefits, and how that's going to be different from benefits in the future, Speaker. And in terms of the-- the information being requested, most of this information is already public, there on publicly sourced databases. Or if we need more, the most current information, it should be information that is information that any of us can currently request. We're not asking for special access for this task force but, really, just partnering with DHHS. Now in terms of not having a seat at the table, I am more than happy to amend this legislation have one or two or how many ever seats at the table DHHS would want. That-- that's maybe an oversight on our end and I'm happy to amend it to make sure that they have a seat at the table. I think that that's important. The last thing that I'll say is, given the complexity of Medicaid, whether it's expansion or not, I think that there are enough members in this body that could be well served by having a diverse array of us at the table and really taking a deep dive so that we can educate ourselves, educate myself and other members of the body, because this is an issue that's not going away. And I think that we all need more expertise in it and I think today's conversation really highlighted that. And I'd be happy to work with you guys on any amendments. And I'm committed to getting this out of

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committee this year and-- and getting it on the floor. Thank you.  
[00:55:57][143.8]

**HILGERS:** [00:55:57] Thank you, Senator Morfeld. Are there questions?  
Speaker Scheer. [00:55:59][2.3]

**SCHEER:** [00:56:00] Thank you. And I'll try not to burn a lot of time,  
Senator Morfeld. I'm just curious, though, of your response to it is  
if this will cause a delay in the implementation? [00:56:13][12.3]

**MORFELD:** [00:56:13] Uh-huh. [00:56:13][0.0]

**SCHEER:** [00:56:13] And that's a concern of mine, is if we are waiting  
for this committee to come up with whatever recommendations or things  
that it would view to be necessary, does that push back the  
implementation day-- [00:56:28][14.7]

**MORFELD:** [00:56:30] Uh-huh. [00:56:30][0.0]

**SCHEER:** [00:56:31] --much farther? Because if the people are in need  
of this type of coverage,-- [00:56:33][1.8]

**MORFELD:** [00:56:35] Yeah. [00:56:35][0.0]

**SCHEER:** [00:56:35] --they obviously voted for it and they deserve to  
have that as soon as possible. And I'm-- I don't think it's fair,  
because of bureaucracy, that we-- [00:56:41][5.6]

**MORFELD:** [00:56:41] Uh-huh. [00:56:41][0.0]

**SCHEER:** [00:56:42] --continue to end up having a delayed date.  
[00:56:43][1.1]

**MORFELD:** [00:56:44] Speaker "Sure"-- Scheer, I-- I-- I appreciate the  
question. And I don't-- I think that from everything that you guys  
know about me there is nobody in the Legislature that wants this to be  
implemented more quickly than myself. If I ever thought that this  
would somehow delay implementation, I would have never introduced it.  
If we need to change some dates, if we need to work more closely with  
Department Health and Human Services to make sure that we align with  
their processes, I'm happy to do that and happy to work with them. I--  
I see this as being a body that will help inform but not delay. That's  
not the purpose of this. This is to get the stakeholders together and  
to be able to work together and work out hiccups on the front end  
rather than on the back end, when we've already spent millions of  
dollars of-- of our taxpayer dollars. So to answer your question, if  
there is any chance that this will delay implementation, I will amend

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the legislation however DHHS feels as though we need to in terms of making sure it's in line with their process. [00:57:46][62.1]

**SCHEER:** [00:57:47] Thank you. [00:57:48][0.6]

**HILGERS:** [00:57:48] Thank you, Speaker Scheer. Other questions? Thank you very much. Thank you, Senator Morfeld. [00:57:51][2.8]

**MORFELD:** [00:57:51] Thank you very much for your time. [00:57:51][0.0]

**HILGERS:** [00:57:51] There are 23 letters of support, some of which were mentioned by Senator Morfeld. The others will be reflected in the committee statement. That closes the hearing on LB631. And we now turn to LR15. Senator Pansing Brooks, thank you for your patience and welcome. [00:58:03][12.0]

**PANSING BROOKS:** [00:58:04] Thank you, Chair Hilgers and-- and members of the Executive Board. For the record, I'm Patty Pansing Brooks, P-a-t-t-y P-a-n-s-i-n-g B-r-o-o-k-s, representing District 28 right here in the heart of Lincoln. I'm here today to introduce LR15 because I-- I believe work force development is an urgent issue for Nebraska. LR15 is part of a larger package of bills I brought this session to help Nebraska better compete with neighboring states for workers. The chambers and business leaders across our state consistently say that work force development is the number one business issue that we have. Nebraska's 2.8 percent unemployment rate is one of the lowest in the nation. While it's good to have low unemployment, it can often mean that employers struggle to find skilled workers. There's a-- therefore, it is crucial that we increase our efforts to recruit and retain workers in order to grow our economy. One bill I introduced this session, LB626, creates a veterans' workforce development coordinator to help better connect veterans with Nebraska employment opportunities and increase efforts to create public awareness among veterans and-- about their-- and to know about the benefits of living and working in Nebraska. I brought this bill after hearing from veterans who pointed to some of our neighboring states and believe that they're-- who believe that they are doing a better job in those states with direct outreach to veterans, including opportunities for on-line interactions between employers and veterans searc-- seeking employment. Another bill I also brought this year intro-- that I have introduced adds sexual orientation and gender identity to existing employment nondiscrimination statutes. Young people we need to "incruit"-- to recruit and retain in Nebraska want to work in environments that are inclusive and accepting. I am gratified to have strong support from the business community on all of these efforts. Finally, I brought a bill to protect women from being fired or

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retaliated against for comparing wage information with colleagues. We want all workers. This committee will help us learn about any counterproductive barriers we are erecting, intentionally or unintentionally, which hinder work force development in Nebraska. While I know others also have brought bills with positive work force development provisions, I believe that the Legislature needs to take a more concerted and comprehensive approach to these challenges. So LR15 creates a special Workforce Development Committee of the Legislature to study incentives to promote the recruitment and retention of workers in Nebraska. The committee would hope-- would explore a host of incentives, including college loan forgiveness. I brought this because I don't believe that work force development currently falls under one standing committee's wheelhouse and we, therefore, need representation from a wide variety of committees. That is why I didn't bring this as a traditional interim study. So membership of the Workforce Development Committee would include senators from Revenue; Appropriations; Business and Labor; Education; Government, Mill-- and Military and Veterans Affairs. All of these committees deal with issues that connect to work force development. After meeting with Bryan Slone at the Nebraska State Chamber, I am amending this slightly, as of yesterday, to reflect some of the work force development challenges they have articulated that we-- that we thought should be added to the scope of this bill. Kristen Hassebrook with the Nebraska Chamber of Commerce will be here to talk about some of the work force development challenges of their members and why special attention from the Legislature is necessary. I want to thank Ms. Hassebrook for coming today and speaking on behalf of this bill. In closing [INAUDIBLE] stay, in closing I have two articles I am passing out from the Associated Press and from the Omaha World-Herald that illustrate the challenges we currently face in work force development. And I ask you to advance LR15 with AM396 and set up this special committee. Thank you. And I'm happy to take any questions. I'm waiving closing because I have an Exec Session going on in Judiciary and I've got to vote on two, a couple of bills of mine. [01:02:24][260.3]

**HILGERS:** [01:02:25] Thank you, Senator Pansing Brooks, for your opening. [01:02:26][1.1]

**PANSING BROOKS:** [01:02:27] So that's why I spoke so fast too. [01:02:27][0.7]

**HILGERS:** [01:02:28] OK, I appre-- and I'm sorry we didn't leave you much time. Are there questions? Speaker Scheer. [01:02:30][1.9]

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**SCHEER:** [01:02:30] Thank you, Senator Hilgers. Thank you for bringing the bill. Just two things: First, of the committees you're looking at, and only because I had served in it, I'm wondering why Banking was not included, because economic development actually is under their preview [SIC] and I would think that would be an important portion [INAUDIBLE]. [01:02:53][22.7]

**PANSING BROOKS:** [01:02:53] Yes, we should have Banking on there. Good catch. So thank you, Senator Scheer. [01:02:56][3.0]

**SCHEER:** [01:02:59] And so now we're up to 12 and the other glaring exemption is because the Speaker doesn't-- isn't allowed to serve on a committee, I don't see any way that a Speaker could serve on this committee as well. [01:03:08][9.0]

**PANSING BROOKS:** [01:03:08] OK. [01:03:08][0.0]

**SCHEER:** [01:03:08] Just [INAUDIBLE]. [01:03:08][0.0]

**PANSING BROOKS:** [01:03:08] I'm happy to make an amendment to that. So that is glaring and I'm sorry for that oversight, Speaker. [01:03:14][6.2]

**SCHEER:** [01:03:15] Thank you. [01:03:15][0.4]

**HILGERS:** [01:03:16] Thank you, Speaker Scheer. Are there other questions? Seeing none, thank you, Senator Pansing Brooks. [01:03:20][4.2]

**PANSING BROOKS:** [01:03:20] OK. Thank you, all. [01:03:20][0.0]

**HILGERS:** [01:03:21] Thank you. The first proponent for-- for LR15. Welcome. [01:03:24][3.1]

**KRISTEN HASSEBROOK:** [01:03:29] Welcome. Good afternoon, Chairman Hilgers, members of Executive Board. My name is Kristen Hassebrook, K-r-i-s-t-e-n H-a-s-s-e-b-r-o-o-k. I'm here today on behalf of the Nebraska Chamber of Commerce and Industry, the Lincoln Chamber of Commerce, and the Greater Omaha Chamber of Commerce in support of LR15. We believe it provides an important framework and a mechanism to evaluate and engage in discussions around work force development at a broad level. Our state is at an economic crossroads. If we do not grow our economy and grow our population, the future is a little bit bleak. Work force is one of the primary issues that our Nebraska businesses consistently tell us about, and so from the Chamber perspective our philosophy is let's focus on big picture things that can move large swaths, thousands, ten thousands of people into the work force. The

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scope of the study for LR15 is strong and we are very supportive of its inquiries. We did request that the senator, you know, broaden it slightly to specifically mention a couple of key areas that we see that are essential challenges. One is work force access issues for immigrant and minority employees. We believe that's a population that deserves some extra emphasis and study, and with some resources centered on language barriers or other limiting factors we could truly move the work force needle in our state. Another is alignment with K-12 education and making sure that we're addressing work force needs and direct career pathways out of K-12 education. And lastly is a focus on an initiative to improve employment opportunities for part-time, poverty, and near poverty employees. Again, we see this as another critical population of existing workers and with the right efforts could result in the movement of thousands of employees into full-time employment and stimulate our economy. With that, I'd be happy to answer any questions. I'm also fast talking, so hopefully--  
[01:05:13][104.0]

**HILGERS:** [01:05:15] Yeah. Thank you, Ms. Hassebrook. Are there questions? Senator Bolz. [01:05:17][2.0]

**BOLZ:** [01:05:18] Thank you for testifying. And as the Chair of the Economic Development Task Force, I don't want to come across as parochial. I'm-- I'm open to multiple ideas. But I do question how-- how this-- how effective having an additional Workforce Development Committee would be in addition to the Economic Development Task Force. We already have a committee that provided recommendations on work force development. Wouldn't it make more sense to grow those recommendations to use the existing task force? Partly, I-- I want to raise the question because, as a body of 49 having multiple senators on multiple committees providing multiple recommendations, sometimes that's not the most effective use of our time. So I just wondered if you wanted to comment on that. [01:06:08][50.0]

**KRISTEN HASSEBROOK:** [01:06:10] That's a legitimate question, one for you all to consider. From the chambers' perspective, we are very appreciative of the work force emphasis within the economic development work that-- of the committee that you were-- you were involved with. We see value in thinking about work force as a stand-alone piece but also in conjunction with economic development, because I think there are-- we need to be thinking about not only the buckets around, you know, incentives packages and business packages but also around just work force development as a stand-alone, you

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know, sort of focus. I think we see value in-- in-- in broadening to a separate committee. [01:06:43][33.2]

**BOLZ:** [01:06:44] I-- I appreciate it. I guess I would just reflect to the committee the Business and Labor Chair is on the Economic Development Task Force, Appropriations members are on the Economic Development Task Force, the-- the Banking, Commerce and Insurance Chair is on the task force. And I'm not sure having a-- an additional task force with much of the same makeup with a different focus really gets us there. But that's-- that's for this committee to articulate. Thank you. I'll give up the mike. [01:07:10][26.7]

**HILGERS:** [01:07:11] Thank you, Senator Bolz. Speaker Scheer. [01:07:14][2.9]

**SCHEER:** [01:07:14] Thank you, Senator Hilgers. Thanks for stopping by today. Real quick, I'm assuming, according to Senator Pansing Brooks, the amendment was developed with your help. And I'm looking at it and it talks about, in item (c), initiatives to better align K-12 programs with pathways. I'm wondering why you had left out, and why-- and maybe not you, perhaps it was the senator-- but essentially community colleges. One of their main intents is to provide work force development and training. And, you know, not that kindergartners don't need some education on maybe their later prerogatives in employment, but I would think certainly if we're really serious about this, that that seems to me as sort of an omission there. [01:08:10][56.0]

**KRISTEN HASSEBROOK:** [01:08:11] You're certainly correct, Senator. We are vastly supportive of the community colleges' initiative. I think the reason we brought up the K-12 alignment was just sort of an emphasis on, you know, even driving further down the line in terms of age, you know, connecting with students and-- and preparing them for Nebraska jobs and Nebraska work force needs at an even younger level. But we are very supportive of the community colleges and would be certainly supportive of including them in-- in the scope of the study as well. [01:08:38][27.6]

**SCHEER:** [01:08:39] Thank you. [01:08:40][0.2]

**HILGERS:** [01:08:40] Thank you, Speaker Scheer. Other questions? Seeing none, thank you for coming down. [01:08:44][3.5]

**KRISTEN HASSEBROOK:** [01:08:44] Thank you. [01:08:44][0.1]

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**HILGERS:** [01:08:45] Further proponents for LR15. Seeing none, anyone wishing to testify in opposition? Neutral capacity? Come on down. Welcome. [01:08:53][8.0]

**TERRY STREETMAN:** [01:08:59] Thank you. I'm not sure I can talk as fast as they did, but I'll try to go quickly. And I've edited my testimony a fair amount. So my name is Terry Streetman, T-e-r-r-y S-t-r-e-e-t-m-a-n. I'm here on behalf of the Alzheimer's Association, Nebraska Chapter. I'm here to testify on the creation of the Workforce Development Committee of the Legislature because of significant dementia and geriatric care work force shortages here in Nebraska. In Nebraska, more than 34,000 people over the age of 65 are living with Alzheimer's disease in 2017, and by 2025 more than 18.5 percent of Nebraska's population is projected to be over the age of 65. To address this issue and provide quality care for our elders, strong dementia-capable work force is needed. The American Geriatrics Society estimates that, due to the increase in vulnerable older Americans who require geriatric care, an additional 23,750 geriatricians should be, excuse me, trained in the United States between now and 2030. As of 2017, there were only 22 certified geriatricians in the state of Nebraska, which in 2000 was ranked as the 11th oldest state in the country by the Population Reference Bureau. Geriatric care and direct care positions require additional training and education, often mean long hours, and have a lower average salary than other specialties. Incentives, such as those that are mentioned in the resolution, are needed in order to bolster our work force in these areas. And for this reason, the Alzheimer's Association is in support of work force development Initiatives and urges the Legislature and these committees to specifically include dementia and geriatric care in any such efforts. [01:10:38][99.5]

**HILGERS:** [01:10:40] Thank you for your testimony, Mr. Streetman. Are there questions? Seeing none, thanks for coming. [01:10:43][3.4]

**TERRY STREETMAN:** [01:10:45] Thank you. [01:10:45][0.3]

**HILGERS:** [01:10:45] Any others wishing to testify in a neutral capacity? Seeing none, there are no letters. Senator Pansing Brooks has waived closing and that will close our hearing on LR15 and the hearing for the day. Thank you, all.