**HARDIN:** Welcome to the Health and Human Services Committee. I'm Senator Brian Hardin, representing Legislative District 48, and I serve as chair of the committee. The committee will take up the bills in the order posted. This public hearing today is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and to fill it out completely. Please move to the front row to be ready to testify. When it's your turn to come forward, give the testifier sheet to the page. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets on the back table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally, by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have 1 minute remaining, and the red light indicates that you need to wrap up your final thought and stop. Questions from the committee may follow, which do not count against your time. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It's just a part of the process, as senators have other bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least a dozen copies and give them to the page. Props, charts, or other visual aids cannot be used, simply because we don't know how to transcribe those. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing, and no one wants to go through that shame and humiliation. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m., the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on

the committee statement. I will now have the committee members with us today introduce themselves, starting with Senator Riepe.

**RIEPE:** Thank you, Chairman. I'm Merv Riepe. I represent District 12, which is Omaha, Millard, and the fine little town of Ralston.

**FREDRICKSON:** John Fredrickson. I represent District 20, which is in central west Omaha.

**MEYER:** Glen Meyer, I represent District 17, northeast Nebraska. It's Dakota, Thurston, Wayne, and the southern part of Dixon County.

**QUICK:** Dan Quick, District 35, Grand Island.

**BALLARD:** Beau Ballard, District 21, in northwest Lincoln, northern Lancaster County.

**HARDIN:** Also assisting the committee today, to my left is our research analyst, Bryson Bartels, and to my far left is our committee clerk, Barb Dorn. Our pages for the committee today are Sydney Cochran and Tate Smith, who absolutely hate it when I ask them to stand up and say anything so I'm not going to do that today. Today's agenda is posted outside the hearing room. And with that, we will begin today's hearings with LB318. Senator Rountree, how are you, sir?

**ROUNTREE:** I should say tres bien, merci. But very well, sir.

**HARDIN:** Well, good.

**ROUNTREE:** Thank you.

**HARDIN:** Take it away.

**ROUNTREE:** All right. Good afternoon, Chair Hardin and members of the Health and Human Services Committee. My name is Victor Rountree. That's V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which is made up of Bellevue and Papillion. Today I'm here to introduce LB318, which would require the Department of Health and Human Services to seek a waiver to extend Medicaid and Children's Health Insurance Program coverage for services to eligible young people when incarcerated, pending adjudication. At the start of the year, the Medicaid inmate exclusion policy will be partially waived for youth in certain correctional institutions. The goal for these provisions is to improve care transitions and health outcomes for youth in correctional institutions and provide for a safe, healthy reentry back into the community. Around two-thirds of youth in correctional settings have a

diagnosable mental health or substance use disorder, and many have other unmet health needs. Under the new federal requirement, which began January 1 of this year, Nebraska is required to provide screening, assessment, and case management services for youth leaving correctional settings. At the same time the new federal rule went into effect, it created an additional option for states to choose whether to take up, that's allow Medicaid and CHIP coverage for services for youth who are in similar secure settings pre-adjudication, or in layman's terms, while they wait for trial in either juvenile or criminal cases. Currently, Nebraska statutes state that Medicaid and CHIP should be suspended when young people are detained in secure settings. By suspending their healthcare, detained youth might experience a delay in receiving medication, mental healthcare, or physical health services. LB318 will help bridge a gap in coverage, allowing young people to have Medicaid or CHIP coverage pending their disposition of charges, potentially resulting in cost savings to counties and fostering better care for youth while their case progresses. Healthcare costs for youth in detention currently operate as follows. If a family has private health insurance, then their insurance may be liable for all the healthcare costs incurred while the young person is detained. If the young person is Medicaid or CHIP eligible, their healthcare coverage is suspended while detained. The costs incurred during their detention period pre-adjudication are largely paid by the counties, but some court-ordered evaluation is paid by state probation. By eliminating suspension of Medicaid and CHIP coverage for the pre-adjudication period, LB318 would allow appropriate healthcare coverage for youth, streamlining their healthcare and potentially easing counties' cost burden by drawing down federal funding to help pay the cost. We want to ensure that youth continue to receive the services and medication they required before the detention, while they are awaiting trial, and in their eventual, eventual transition back home to their communities. And we want to ensure that counties aren't bearing the cost of medical services and treatment that is now eligible to be covered by Medicaid and CHIP. Promoting youth health while lowering county costs is a win-win for Nebraska. I appreciate your attention to this bill, and there will be testifiers behind me who can speak to the more technical aspects of this bill. And with that, I would be happy to answer any questions that you may have.

**HARDIN:** Thank you. Questions? Senator Fredrickson.

**FREDRICKSON:** Thank you, Chair Hardin. Thank you, Senator Rountree--

**ROUNTREE:** Yes.

**FREDRICKSON:** --for, for being here and bringing the bill. So, so what happens currently with, with these youth, who may be detained or, you know-- what, what-- if they have a, a healthcare need, what, what, what's-- currently happens?

**ROUNTREE:** Well, right now, if they're currently with Medicaid or the CHIP is suspended while they're in, then the county picks up the cost for those services. And so what they bill that we are bringing today is looking at also the optional services to continue so that they can make sure that they get the services that they need. Mental health and well-being is one of the greatest things that we hear probably in just about every bill, whether we're dealing with license plates, front and back, or whatever it might be. But mental health is a great issue that is in our state, so when it comes to our youth, we want to ensure that they don't lack any services. Take any undue burdens off the county, but ensure that they're able to get all the services that they need.

**FREDRICKSON:** And, and so is the idea that they-- they'll, they'll have coverage when they eventually transition out of the facility? Is that, is that [INAUDIBLE]?

**ROUNTREE:** Yes, sir. While they're in the facilities, then transition out, we want also look at that great transition--

**FREDRICKSON:** Yep. Thank you.

**ROUNTREE:** --as well. Yes, sir.

**HARDIN:** OK. Senator Quick.

**QUICK:** Yeah. Thank you, Chairman. And do you see this as a way that maybe we can reduce the recidivism rate and, you know, those kids don't re-offend and end up in-- maybe even in the adult system?

**ROUNTREE:** So I think it would have a great impact on that. Continuum of care, continuity of care, and services is something that's critical, regardless of what area we look in, but especially for our youth. They're already in a tumultuous time. It's, it's a lot of stress being in that situation. And if they are suddenly separated from their care that they've been receiving, that can help them to spiral down. So we want to make sure that they maintain their well-being and they are better positioned to transition to whatever their situation may be when their cases are adjudicated.

**QUICK:** All right. Thank you.

**ROUNTREE:** Yes, sir.

**HARDIN:** Other questions? Senator Riepe.

**RIEPE:** Thank you, Chairman. Thank you, Senator, for being here.

**ROUNTREE:** Yes, sir.

**RIEPE:** Do any of these young people have any relatives or a custodian, a mother or father that would be eligible for SNAP, food that, that would make them eligible?

**ROUNTREE:** They could come out of SNAP households.

**RIEPE:** Yeah.

**ROUNTREE:** Yeah, they, they could be.

**RIEPE:** But does, does then the, the-- does the young person qualified at-- on the count for that family?

**ROUNTREE:** If they were in the household.

**RIEPE:** Yeah, they have to be in the household. OK.

**ROUNTREE:** If they-- if they're in that household when they look at that.

**RIEPE:** OK. That's very-- that clarifies it. Thank you.

**ROUNTREE:** Yes, sir.

**RIEPE:** Appreciate it.

**HARDIN:** Other questions? Will you stick around?

**ROUNTREE:** Yes, Chairman. I will stick around for the close.

**HARDIN:** OK. Very good. Proponents, LB318. Don't be shy. How many folks will be testifying on LB318 today? All right. Great. Welcome.

**SAVANNA HOBZA:** Hi. Oh, it's a little short.

**HARDIN:** It is a strange chair, isn't it? Even when I sit over there, think--

**SAVANNA HOBZA:** I'll just sit up really tall.

**HARDIN:** --that is such a weird chair, compared to all of these others. But, thanks for being here.

**SAVANNA HOBZA:** Yeah. Absolutely. My name is Savannah Hobza, S-a-v-a-n-n-a H-o-b-z-a. I currently reside and work in Omaha. My views do not reflect those of my employer. I am a practicing speech language pathologist with 7 years of experience. I currently service 10 alternative programs in the Omaha area, including DCYC. Please consider supporting LB318. Children who are detained require necessary medical care and deserve continuity. By supporting this bill, you will support many children, including those with disabilities. Today, over 40% of children in DCYC-- just now. I called the principal this morning to make sure my numbers were right. 40% of children in DCYC have identified disabilities. This has been ongoing for the past several years, fluctuating between 40 and 50%. I have witnessed children who have not had access to basic medical care for extended periods of time due to lack of coverage, including the need for basic things like glasses or continued medical care. In speech language therapy world, if you don't have access to glasses, it's very hard for you to understand vocabulary and receptive language. So that's really important for us to have kids have access to those things. DCYC, I want to add again, to clarify, is not a mental health facility, but it does require care and it requires continue-- continuing care for these students and children in order to access their environments. Giving additional access to healthcare and funding will help children recover, learn, and continue their path towards healing and reintegration. Children with disabilities require and deserve continuity with both their school-based and outside providers to continue to make progress and access the environment around them. So, for example, there may be some students who are currently on the autism spectrum who may be having ABA therapy in the home or at the school setting or at the clinical setting, and that's really detrimental to their progress when they're not able to access that. And then for myself, obviously, as a school-based provider, I know Medicaid in schools and other versions of Medicaid are a little bit different, but I do have students who receive outside speech language therapy, and if they're not receiving that ongoing care, again, it impacts their progress, their ability to be able to communicate, all of those things. Does anybody have any questions?

**HARDIN:** Are there questions? Seeing none, thank you.

**SAVANNA HOBZA:** OK. Yep. Thank you.

**HARDIN:** Proponents, LB318. Welcome.

**ELAINE MENZEL:** Thank you. Good afternoon, Chair Hardin and members of the Health and Human Services Committee. For the record, my name is Elaine Menzel. That's E-l-a-i-n-e M-e-n-z-e-l, here today on behalf of the Nebraska Association of County Officials, testifying in support of LB318. First, we would like to express a great deal of gratitude to Senator Rountree for bringing this legislation. In fact, he did a great job testifying as to the benefits of-- for the purposes of counties. I could get into a long-- well, as much as 3 minutes would allow. But [INAUDIBLE] you the-- how counties face unfunded mandates and then how-- various things related to that, and how healthcare is the major element that counties are responsible for. But with that, essentially, I'll just indicate that this would be a benefit and an opportunity to take advantage of, and we're hoping that your committee will favorably vote for this legislation. With that, I would be receptive to any questions if you happen to have any of me.

**HARDIN:** Paint the picture for us. What does life look like if we pass this? What does life look like from your perspective if we don't? What happens?

**ELAINE MENZEL:** I, I know there are others who will be able to better testify with respect to the technical components, but I think it gives an opportunity for those who are-- it's essentially a twofold opportunity, with respect to those youth who are, who are incarcerated, getting to obtain healthcare more timely and effectively, with respect to reentry and those types of programs. But then also, it would allow taxpayers to save money at the county level, with respect to their obligations.

**HARDIN:** OK. Thank you. Any other questions? Seeing none, thank you.

**ELAINE MENZEL:** Thank you.

**HARDIN:** Proponents, LB318. Welcome.

**LORI HARDER:** Good afternoon, Chairperson and members of the Health and Human Services Committee. My name is Lori Harder, L-o-r-i H-a-r-d-e-r, and I am here today to express my strong support for LB318, introduced by Senator Rountree. I appreciate the opportunity to testify in favor of this bill, which aims to require the Department of Health and Human Services to file a state plan amendment under the Medical Assistance Act for incarcerated youth. LB318 seeks to ensure that incarcerated youth in Nebraska have access to medical assistance by mandating that DHHS submit the state plan amendment. This legislative action is crucial for several, several reasons. First, is continuity of care.

Incarcerated youth often dis-- often face disruptions in their healthcare services, leading to unmet medical and mental health needs. By amending the state plan, Nebraska can facilitate continuous medical service coverage, ensuring these young individuals receive consistent and adequate healthcare during and after their incarceration. This continuity of care includes the ability to discharge youth to treatment and rehabilitative programs, which could change the trajectory outcome as adults. Second, is improved healthcare outcomes. Access to comprehensive healthcare services, including mental health and substance abuse treatment, is essential for the rehabilitation and well-being of incarcerated youth. This bill will help address these needs, leading to better health outcomes and reducing the likelihood of recidivism. Federal support and compliance is number 3. Submitting a state plan amendment aligns Nebraska with federal initiatives aimed at improving healthcare for justice-involved populations. This compliance can open avenues for federal support and funding, alleviating a financial burden for the state and county while enhancing service delivery. As an independent consultant who has 35-plus years of experience with DHHS in Medicaid, economic assistance, child welfare, and juvenile justice systems, I have witnessed firsthand the challenges faced by incarcerated youth in accessing necessary healthcare services. Studies have shown that justice-involved youth have higher rates of physical and mental health issues compared to their peers. Ensuring they have access to medical care is not only a moral imperative, but also a sound investment for our youths' future. Nebraska has a proud tradition of valuing fairness, opportunity, and responsible governance. This bill embodies these principles by addressing the healthcare needs of a vulnerable population, promoting equity, and supporting the rehabilitative process. By passing this legislation, we will affirm our commitment to well-being of all Nebraskans, including those who are incarcerated. I urge the committee and the full Legislature to advance LB318 and support its passage into law. This bill represents a meaningful step towards improving healthcare access for incarcerated youth.

**HARDIN:** Thank you. Questions? Senator Quick.

**QUICK:** Thank you, Chair. Does, does CHIP, do you know, is that federal money that comes to the state? Is that on the--

**LORI HARDER:** Yes.

**QUICK:** OK. So those are federal dollars.

**LORI HARDER:** Yes.

**QUICK:** And then, so most of these kids are on CHIP, and then they lose the CHIP, and then if they do go back home, can they reapply for CHIP again?

**LORI HARDER:** As soon as they're discharged, it's considered an [INAUDIBLE]. It's a setting that will not be covered-- Medicaid will not provide coverage for. So in the past, we used to close the Medicaid, when I worked at DHHS, and reopen it when they were readmitted. Then federal guidance said just to suspend the Medicaid, but services cannot be charged to Medicaid during that time. But they will stay with the same managed care organization when they're discharged. But if you keep the Medicaid open, you would have, I believe, children in detention for shorter periods of time, because you'll be able to make application to treatment and rehabilitative programs that are funded by Medicaid, and transition those youth quicker to different community-based placements to meet their mental health and substance abuse needs.

**QUICK:** OK. Thank you.

**HARDIN:** Other questions? Seeing none, thank you.

**LORI HARDER:** Thank you.

**HARDIN:** Proponents, LB318. Hi.

**ANAHI SALAZAR:** Hello. Hi, Senator Hardin and members of the Health and Human Services Committee. My name is Anahiu Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm one of the policy coordinators with Voices for Children in Nebraska, here in support of LB318. Young people deserve consistent and reliable healthcare, especially where they-- when they are under circumsta-- circumstances such as detention. Detention harms young people's physical and mental health, impedes their educational and career success, and often exposes them to abuse. Voices for Children supports LB318 because it would aid in the continuity of care for young people who may be in crisis. Healthcare is crucial for young people in detention awaiting trial, as it directly impacts their overall well-being and ability to cope with the emotional and physical challenges, challenges of the detention environment. Adolescents are at a stage in their development where their bodies and minds are still growing, making them particularly vulnerable to the stresses and traumas of incarceration. LB318 is simple in the fact that it extends Medicaid and CHIP coverage to young people who are detained while they await trial. Currently, young people are waiting an average of 49 days for their trial, specifically in DCYC. Without access to adequate

healthcare, including mental health support, young detainees may face long-term consequences such as untreated injuries, infections, or exacerbated mental health conditions, which can worsen during, during their time in detention. Moreover, young people in detention are often dealing with significant emotional and psychological stress, including anxiety, depression, depression, and trauma from past experiences, which can be intensified by the confinement. I'm going to just skip down there. Terminating or suspending eligibility for young-- for individuals upon incar-- incarceration has contributed to poor health outcomes for youth during their time in institutions and poor care transitions upon returning to their communities. LB318 would cover a specific group of young people who are awaiting trial and who are already eligible for Medicaid and CHIP to have their health coverage. Incarceration, no matter the length of time, during adolescence, has lasting effects. The 4 Nebraska juvenile detention centers are most likely to be impacted by 3-- LB318 would be Douglas County Youth Center, DCYC, Northeast Nebraska Juvenile Services or Madison County, Lancaster County Detention Center, Sarpy County Juvenile Justice Center. We have spoken with 2 of these detention centers, DCYC and Madison, about the impact of Medicaid suspension for youth in detention and what LB318 would mean. The staff we spoke with were enthused to hear about the bill, as it would help streamline costs, noting they have-- they wouldn't have to bill counties outside of their county for youth treatment in their institutions. So currently, like Senator Fredrickson asked, it was-- when a youth comes in that has prior mental health issues or physical issues, they have to get their doctor that's on in the center-- detention center to do an evaluation, and so it prolongs these, you know, medicine needs or psychological needs. So this would help kind of with that streamline if a doctor is already providing services to this young person and they are Medicaid, the doctor can come in and provide those services while they're in detention awaiting trial. So again, it's just this small group of young people while they await pre-adjudication. Ultimately, addressing the healthcare needs of young people detainees is not only a matter of human rights, but also a step forward-- toward ensuring they're treated fairly and given the chance to reintegrate into society after the legal proceedings. Thank you, Senator Rountree, for your support for all young people in Nebraska and the committee, for your consideration.

**HARDIN:** So, I'm just kind of grabbing from a couple different testifiers here. You're saying the average number of days is 49 days--

**ANAHI SALAZAR:** Yes.

**HARDIN:** -- for their trial and we're talking about 40% of the kids. Is that right--

**ANAHI SALAZAR:** Well--

**HARDIN:** --that have ongoing care happening when they get there?

**ANAHI SALAZAR:** Yeah. I think 40% was only students with disabilities, so that would, that would--

**HARDIN:** OK.

**ANAHI SALAZAR:** --need specific special education services.

**HARDIN:** Oh, OK.

**ANAHI SALAZAR:** I don't have the numbers for the Medicaid-eligible or CHIP-eligible young people that are detained within that 49-- within those 49 days--

**HARDIN:** OK.

**ANAHI SALAZAR:** --but I can definitely ask to see if I can get that data.

**HARDIN:** Yeah, just trying to get my head around about how many young folks are we talking about.

**ANAHI SALAZAR:** Yeah.

**HARDIN:** Does that make sense?

**ANAHI SALAZAR:** Yeah. According to the fiscal note, I think it was an average of 50. No. I'm sorry. OK. I don't have it in front of me, but I know it was an average of a month.

**HARDIN:** OK.

**ANAHI SALAZAR:** So the fiscal note would help reflect--

**HARDIN:** Yeah. And I have that right here. I'm kind of looking beyond that.

**ANAHI SALAZAR:** Yeah. OK. I also printed it, but do not have it with me.

**HARDIN:** Do you have a sense in terms of how long it takes if they don't have that care to kind of get this re-hooked up, if you will? I mean, what's that gap look like?

**ANAHI SALAZAR:** Yeah. I don't have a, a concrete number. I do know that there are a lot of young people. Their num-- at least DCYC's numbers were, were on the higher end than they've had in the past, and they only have so many doctors. So I know that it, it-- there is a delay in providing that care for young people because the ratio is very off. There's not-- I think there's 1 psychologist to 90 or so young people in that institution itself.

**HARDIN:** OK. Certainly that's the biggest. But we've got Madison and others. Is your sense that they're all kind of equally challenged, I guess, in this way, and therefore the gaps would be essentially the same, or is it worse at DC, just because it's bigger?

**ANAHI SALAZAR:** Yeah. I-- well, we also spoke with Madison. I-- and I think they expressed the same sentiment on seeing that lack of healthcare, and really being detrimental to the young people that they were serving.

**HARDIN:** I see. OK. Other questions? Senator Hansen.

**HANSEN:** Thank you. And the last sentence in one of your paragraphs here. The staff we spoke with were enthused to hear about the bill as it would help streamline costs, noting that they wouldn't have to bill counties outside of their county for youth treatment in their institution. So if we don't pass anything, they're still getting treatment, but the counties are paying for it?

**ANAHI SALAZAR:** Yeah. So it's delayed treatment. Not-- it wouldn't be as like-- as fast or as streamlined as it is before-- as, as it would be if they were covered by Medicaid while waiting for adjudication. And yes, they-- the costs would still be incurred by the county. So currently, they-- like DCYC would have to-- if they have a student from-- or a young person, sorry-- from another county, they have to treat that young person and then, you know, bill that county, and then that county then pays that invoice. So it's a lot of back and forth.

**HANSEN:** So it's probably-- the treatment probably isn't delayed, it's more the payment.

**ANAHI SALAZAR:** It would be the treatment, as well.

**HANSEN:** Because if they need a treatment, they're going to get it. They're not going to wait to get paid to do the treatment, probably. Right?

**ANAHI SALAZAR:** They wouldn't get-- yes. But again, it's only the ratio of doctors or available medical staff to number of young people that they need to care for is, is very off.

**HANSEN:** OK. But-- OK. So if they're covered through Medicaid, the same amount of healthcare pro-- professionals will still be the same, though, wouldn't it?

**ANAHI SALAZAR:** Outside healthcare professionals could come in because they're covered by Medicaid.

**HANSEN:** OK. Gotcha. So they're getting care.

**ANAHI SALAZAR:** Yes.

**HANSEN:** OK. I just want to make sure because it-- its-- the narrative almost seems like, well, there--we need to be humane.

**ANAHI SALAZAR:** Sure.

**HANSEN:** Because, like, well, they're kind of still getting care, it's just maybe delayed be-- because somebody else is paying for it.

**ANAHI SALAZAR:** Yeah. Yeah. Definitely del-- I think the important piece is that-- the, the delayed piece. If you, if you have a young person on medication and their prescription isn't being refilled immediately, you know, the-- that young person goes without that medication for days or weeks, which would not be great for that young, young person.

**HANSEN:** OK. Cool. Thank you.

**HARDIN:** Other questions? Seeing none, thank you.

**ANAHI SALAZAR:** Yeah. Thank you.

**HARDIN:** Proponents, LB318. Welcome.

**SARAH MARESH:** Hi. Thank you. Chair Hardin and members of the Health and Human Services Committee, my name is Sarah Maresh. That's S-a-r-a-h M-a-r-e-s-h. I'm the director of the Health Care Access Program at Nebraska Appleseed, testifying on behalf of Appleseed in support of LB318. Appleseed is a nonprofit legal advocacy organization

that fights for justice and opportunity for all Nebraskans. And one of our core priorities is ensuring that all Nebraskans have access to quality, affordable healthcare. We can do more to make sure children in Nebraska that are impacted by the carceral system have access to care they need to maintain their health and treatment plans. And because this bill helps promote continuity of care and coverage, Appleseed supports this bill. And to answer some of your questions before, I think, in sum, before this bill is passed right now, you've heard that we have no federal funds, counties covering costs, and we also not only have delayed care, but we also have less care options for youth. So if this bill is adopted and we implement this, the state and the institutions will be required to provide the full array of Medicaid and CHIP services to folks who are in those juvenile justice facilities. And so right now-- and I can't speak to the intricacies of what exactly is provided in each county facility, but typically in facilities, there are less care options for a variety of reasons. Some of its staffing and some of its access to, you know, the appropriate amount of staff. But I think a key thing about this bill is it allows kids to receive all of their necessary care, which is a Medicaid requirement, basically. It's called EPSDT, is the technical term, if you've heard of it, but it essentially requires anything the child needs for their health, they have to be provided under Medicaid and CHIP. So I just wanted to make that important note, too, that this also provides an extended array of health services for kids, too. And so with that, one other thing would mention, too, is I think the fiscal note did mention 1,000 kids would be impacted by this in their fiscal note for a month, as the previous testifier mentioned as well. So with that background, I would just mention, too, that Medicaid and CHIP-- and the Children's Health Insurance Program is technically a separate program in Nebraska. But we, in Nebraska, can think of it really as another category of Medicaid for most purposes. But right now, it covers over 175,000 kids in Nebraska. People are eligible for Medicaid and CHIP based on their family income. And so even though federal funds usually cover the state's Medicaid costs for children, a little bit over half, and even more in some circumstances, in particular, CHIP, they cover more than half, there are limits on when federal funds can be used. And one of those limits is the inmate exclusion, as we mentioned. And there are exceptions to the inmate exclusion. So this provides one exception in federal law, where we can provide Medicaid services to children who are currently in juvenile facilities. And this, for a lot of reasons, is really good for care. I've heard from a lot of previous testifiers that it's good for both children's health and our state's finances, because we are able to draw down federal funds, and it provides the opportunity for

vulnerable children to receive that comprehensive healthcare and can potentially also continue relationships with providers that they had before they entered facilities. So, as previous testifiers mentioned specifically, there is that ability to have that coordinated care and not kind of waste valuable time and resources on trying to reevaluate and reassess treatment plans inside.

**HARDIN:** OK.

**SARAH MARESH:** And I know I'm at time, too, so I can--

**HARDIN:** You, you are.

**SARAH MARESH:** Yeah. Pause.

**HARDIN:** Questions? Senator Hansen.

**HANSEN:** So we're talking about outside care, as opposed to what the facility can provide in, in-- onsite, right?

**SARAH MARESH:** Yeah. And I think it can be a combination of the two.

**HANSEN:** OK. And so then, since these are children or youth who are housed in a-- this, you know, detention facility, they would have to be transported somewhere to get this care?

**SARAH MARESH:** I think they'd have-- there would have to be some coordination between the facilities to, to determine how they would receive the care. I think potentially they could have care provided, like the provider could travel to the facility. There could be telehealth options depending, you know, on like, what needs there are, and then potentially transport as well. I think it would depend on the coordination for the facility and the particular circumstance of the child.

**HANSEN:** OK. Because the transportation cost and the staffing is what I was kind of wondering about. Like, if this bill goes through, are we putting more of an onus on the facility then, to maybe have to hire more staff or deal with transportation issues. I, I-- I'm unfamiliar with that, so that's why I was asking.

**SARAH MARESH:** Yeah, I think it's a really good question and something to consider, but I think there are options to work around that, too.

**HANSEN:** Thank you.

**HARDIN:** OK. Other questions? Seeing none, thank you.

**SARAH MARESH:** Thank you.

**HARDIN:** Proponents, LB318. Opponents, LB318? Anyone in the neutral, LB318? Senator Rountree, have you ever heard of LB318?

**ROUNTREE:** Oui, oui, Monsieur. Yes, I have.

**HARDIN:** Welcome back.

**ROUNTREE:** Thank you so much, Chairman Hardin. And thank you to all the testifiers who have testified today in the proponent and support this bill. I normally do a very short closing, but today, this is probably going to be the longest closing I might have at the mic. Because I want to take opportunity to read one of the supports that did not get into the record, but I want to read it for the record, so this will be my closing. And this is from Sara Hoyle, director of Lancaster County Human Services. She writes: Dear Chair Hardin and members of the Health and Human Services Committee, we are writing on behalf of the Lancaster County Board of County Commissioners in support of LB318. Please accept this letter and make it part of the record on the aforementioned bill. Incarceration during adolescence and early adulthood is associated with worse physical and mental health later in adulthood, as well as increased risk of adult incarceration. Youth representing-- youth presenting for detention also are youth who have experienced trauma, abuse, neglect, and/or trafficking. They need immediate crisis services, followed by sustained and comprehensive care. LB318 would invest in our youth by infusing federal funding into their medical and behavioral health support system, providing robust crisis counseling and support while a youth is incarcerated in a public institution pending disposition of charges. Medicaid coverage during incarceration also could provide for enhanced behavioral health screening and services, medical care, immunizations, medication, dental and vision services, and services associated with hospitalization. This legislation would establish a statewide avenue where equitable access to these services is a reality for our youth during incarceration. LB318 will set up youth and their families for long-term success by providing screening for physical and behavioral health needs while a youth is incarcerated and facilitating linkages to community-based physical and behavioral health while youth transition back into the community. This legislation has the potential annually to impact over 100 youth and their families in Lancaster County alone, representing over $250,000 in annual cost savings to property taxpayers in our community. In order to support healthy,

productive, and positive outcomes for the youth who are housed in the Lancaster County Youth Services Center, the Lancaster County Board respectfully requests the committee to advance LB318. And thank you to Senator Rountree for introducing LB318, and thank you for the opportunity to provide this, this letter. We would be happy to answer any questions that you may wish to direct at us. And that's Sincerely, the Lancaster County Board of County Commissioners. So I wanted to read that into the record, as well as continual again, thank everyone for testifying on today, and to the committee for listening to us and the great questions that were asked. And all that we do is about taking care of our youth, our generation upcoming. Thank you, and I'm available to [INAUDIBLE] any questions.

**HARDIN:** Questions, anyone? Senator Hansen.

**HANSEN:** Thank you. I'm sorry if I missed your opening and somebody asked you this. Did the department talk-- did you-- were you in communication with the department at all, since they didn't come and testify? DHHS?

**ROUNTREE:** There were-- I have not talked with our DHHS, but we did have one individual that had worked with DHHS that came and--

**HANSEN:** OK.

**ROUNTREE:** And-- but normal times, my experience with DHHS is they'll be present if they're in opposition.

**HANSEN:** OK. Yeah, or they might come out neutral as they explain it. I, I kind of wanted to ask them about the fiscal note and the updates that are needed to technol-- technology updates to the Nebraska Family Online Client User System. So if this passes, they would have to update some of their technology. And they were talking-- I was-- it's almost $1 million to update the technology, which I thought was interesting. Technology updates would also be needed to the Medicaid Management Information System, or MMIS, costing almost $1 million for an estimated 10,496 staff hours to update a system. That seems exorbitant to me. I was kind of curious if they would-- did they discuss this with you at all or you have any conversation with them at all?

**ROUNTREE:** I have not had discussion on this one.

**HANSEN:** OK. I was just kind of curious about that. Thank you.

**ROUNTREE:** No. That's a good, that's a good question.

**HARDIN:** Other questions? Seeing none, thank you, sir.

**ROUNTREE:** All right. Thank you so much.

**HARDIN:** We had online, 24 proponents, 2 opponents, zero in the neutral for LB318. And this concludes our hearing for LB318. Next up, LB96. And we'll transition the room. Just a moment, Senator Dungan, because we want you to be able to operate in concentrated silence.

**DUNGAN:** Thank you very much. Riv-- riveting testimony here about to come, so.

**HARDIN:** That's right. We expect that. And I think we're ready.

**DUNGAN:** OK. Thank you. Good afternoon, Chair Hardin and members of the Health and Human Services Committee. My name is George Dungan, G-e-o-r-g-e D-u-n-g-a-n. I represent Legislative District 26, in northeast Lincoln. I'm here today to introduce to you LB96. LB96 is designed to reduce recidivism, draw down additional federal funds, and reduce the burden on county jails, as well as state prisons, resulting in ultimate property tax relief on the county level. This bill requires that the Department of Health and Human Services, DHHS, to submit 2 Medicaid section 1115 waivers. Nebraska currently has a section 1115 substance use disorder waiver, which expired on June 30 of 2024, and the state filed for an extension of an SUD waiver to June 30, 2029. CMS has granted a temporary extension of the state's section 1115 demonstration to allow the state and CMS to continue negotiations on the state's extension application. The demonstration is now set to expire June 30 of 2025. Section 1115 Medicaid demonstration waivers offer states a mechanism to test new approaches in Medicaid that are different from what's required by federal statute. The first 1115 waiver that's required in LB96 is a reentry demonstration opportunity that would provide for short-term Medicaid enrollment assistance and prerelease coverage for some incarcerated individuals 90 days prior to release. The Medicaid reentry section 1115 demonstration opportunity is a new offering introduced by CMS in April of 2023 to cover a broader range of pre- and post-release services. This will result in substantial cost-saving for our counties. While we've made strides in ensuring that individuals who are released from jail are signed up for Medicaid upon release, what we're experiencing is that there is still a gap between their release and when coverage kicks in or when a community provider can actually see the individual. Enrolling individuals with a defined release date in Medicaid coverage will ensure continuity of care and provide recidiv-- prevent recidivism-- pardon me-- by securing an appointment time closer to the release date

or being placed on a waiting list sooner, thus allowing the person to move up on the list before being released. By providing case management services, medication assisted treatment, a 30-day supply of necessary medications, and housing support, we can ensure that individuals are set up for success when they leave our county correctional facilities. As of January 1, 2025, CMS has approved Medicaid section 1115 reentry demonstration opportunities in 19 states, including Illinois, Kentucky, Montana, and Utah. The second Medicaid Section 1115 waiver in LB96 addresses health-related social needs. This waiver is designed to help formerly incarcerated individuals secure basic needs for a limited amount of time post-release. We envision this being utilized for things such as rental cost, temporary rental cost, food assistance, case management services, and maybe even a small subsidy to assist individuals with accessing a phone or other Internet-connected device. As of January 1, 2025, CMS has approved these Medicaid section 1115 health-related social needs waivers in 16 states, including Arkansas and Illinois. Broadening and clarifying the scope of the waivers would greatly aid correctional institutions across the state, including, but not limited to, the Lancaster County Jail. Implementing these waivers will also provide property tax relief, reduce burdensome county costs, and help integrate incarcerated individuals back into society smoothly. There are testifiers behind me who can speak further to the issue, but I am happy to answer any questions you might have. I did want to take a note-- a moment to note the fiscal note. I think that when you first look at this, this fiscal note does not tell us the full story. Obviously, the total funds expended for fiscal year '25-26 are about $1.5 million. And then ultimately the funds in '26-27, when this finally is implemented, are about $8 million, 500-- or I'm sorry, $5 million of that being from federal funds, $3 million of that coming from general funds because of the FMAP. Two things I'd like to note about that-- well, 3 things. One, I respectfully disagree with the notion that it's going to take that $1 million to establish the FTEs and the systems necessary to implement this. I think, Senator Hansen, you might have mentioned that a little bit on the last bill. Part of the reason for that is this Legislature has already addressed the issue of trying to get people enrolled on Medicaid before they're released from custody. So hypothetically, if we're doing what we're supposed to do, a lot of the FTEs and the social workers are already in place to get those folks enrolled in Medicaid prior to release. All this 1115 waiver seeks to do is start that process sooner. So rather than say, you have to be on Medicaid by the time we release you, this says if you have a set release date, like you're serving a sentence and we know when you're going to get out, you have to be enrolled in

Medicaid 90 days before that, if possible, so that way, you can actually get services started and there's not this gap between release and then actually getting the service. So if the people are already in place to enroll people on Medicaid now, they can do that the exact same way. It would just be 90 days earlier. So I guess that's the concern I have, or the question I have about why it would take that many people to implement this new programming. In addition to that, the $8 million contemplated total, with, again, most of that coming from federal funds, but some coming from Nebraska. It contemplates maximum usage. And that's not just maximum usage of the people that will likely use this. It's maximum usage of every single person that they contemplate getting out of custody. So to break that down in a specific example in the fiscal note, they contemplate a very large sum of money going towards every individual getting out of custody for housing assistance. Not everybody and in fact, the vast majority of people getting out of custody don't need help going back to a home. They have a place to go. They have family they can stay at. They have their own house they can go back and stay at. And it also assumes that, for example, with that housing assistance, they would utilize it for the entire 6 months that it would be available. When in reality, if somebody does need some housing assistance with, maybe-- I think they estimated $350 a month for rent. It might be that first month, then they're back on their feet. They don't use it. So the idea that this is going to have that maximum utilization assumes that every single incarcerated individual needs every single one of these services for the full period of time it's available, and that just simply isn't true. I absolutely understand why the Fiscal Office has to estimate it that way. I think that's their job and they have to assume maximum usage. But I'm telling you from both a practical, anecdotal, and data base perspective, very few of the individuals that they contemplate in this are actually going to utilize that service. I don't have the numbers on me, but coming up after me is going to be Brad Johnson, from the Lancaster County Jail. He is an expert, I'm going to say, in this subject. Sorry to put you up there. I think he is. So he can answer some questions about what services people may or may not use. And I can also tell you from having worked with the population of folks who are getting out of custody, there are many who will elect to not use these services. There are many who do not want further assistance. They simply want to be done, get out of custody, go on with their lives. So I think that's really important to note with the relatively high looking fiscal note, I do not think it would be that high. The last thing I'll note that the fiscal note does not necessarily contemplate-- again, because it's not supposed to necessarily, but we need to keep in mind, is the cost savings. So

right now-- and again, Brad Johnson can speak to this a little bit more-- a lot of reentry services are already being provided. And we, the taxpayer at the property tax level, the county level, are paying for that. If we allow those to be Medicaid reimbursed through an 1115 waiver and we shift that cost, it's an alleviation of over 50% of that cost from the taxpayer. I do not believe that this bill contemplates at this juncture additional reentry services that we're expanding willy-nilly just to give everybody everything they want. But rather, it contemplates allowing this 1115 waiver to go into place, which then can have the federal funds defray some of the costs that we're already spending on reentry. And so it will really assist at the county level to make sure that these, these, these services can go into place and then have the feds kind of pull down that money. Recidivism being reduced by giving people these services absolutely saves us money. It costs over $100 a day to house somebody in jail. And I will tell you that one of the biggest factors that leads to recidivism is housing. When somebody gets out of custody, if they don't have a place to go or food to eat, recidivism skyrockets. And so this is trying to do that upstream investment to try to reduce cost down the road. With that, I will stop rambling. I could talk about this probably for another hour or so, but there's folks after me who are going to testify, but I am happy to answer any questions you might have at this time.

**HARDIN:** Thoughts? Senator Riepe.

**RIEPE:** Thank you, Chairman. I recall that Senator Lathrop had one that provided-- did you say 90 days prior to being out of prison?

**DUNGAN:** Correct. Yeah. I think that the-- one of the, the-- the 1115 waiver for the reentry demonstration opportunity provides for coverage under Medicaid for individuals 90 days prior to release.

**RIEPE:** OK.

**DUNGAN:** And that's when there's a known release date, so the sentencing date.

**RIEPE:** I think-- a couple of years ago-- I forget the exact date-- Lathrop had a-- Senator Lathrop had a law that was passed for 60 days. So is this a intended step up from that?

**DUNGAN:** I,I don't know. I can't speak to Senator Lathrop's bill, unfortunately, because I'm not familiar with that one. I know-- I think Senator John Cavanaugh had brought a bill that requires folks to be enrolled in Medicaid prior to release, and that's the one that I

was speaking about, where right now, I think the operating sort of standard is there's an effort being made to get folks enrolled in Medicaid once they hit that release date. The problem with that is, like I said, if you're signed up for Medicaid on the last day that you're getting out of jail or prison, there's a delay in actually implementing the services and getting the coverage, whereas if I'm enrolled 90 days before-- let's say I know I'm getting out January 1. I'm enrolled 90 days before that. There can be a discussion with case managers about getting you into a halfway house, or getting you signed up for mental health treatment, or trying to get medication, for example, through that Medicaid coverage, so it's to, to prevent the gap in time. So maybe, again, Mr. Johnson after me can speak to what the current practice is, but my understanding is we, right now, have to get them enrolled by release.

**RIEPE:** Did Senator Cavanaugh's bill go anyplace or did he simply introduce it?

**DUNGAN:** It has been passed, is my understanding, and I think there's been some efforts being made by the counties and-- to, to see where we're at on that. But I'm 99% sure it's currently been passed. But if I'm incorrect, I'm sure somebody behind me will correct me at this point.

**RIEPE:** OK. Here it was. It was Senator Lathrop's bill in 2022, LB921.

**DUNGAN:** I think that is Senator Cavanaugh's bill that was amended into another bill. I will go back and double check.

**RIEPE:** It says, it says in this document, at least, that it was introduced by Senator Lathrop and passed into law.

**DUNGAN:** And I wasn't here at that point. Maybe some of my colleagues who were here can speak to this, but I think that was ultimately a package that was put together. And I think that's maybe how Senator Cavanaugh's bill got passed, was through Senator Lathrop's package.

**RIEPE:** Well, OK.

**DUNGAN:** It's before my time, so I apologize that I can't speak more deftly to that.

**RIEPE:** OK. Thank you.

**HARDIN:** OK. Other questions? Will you stick around?

**DUNGAN:** I will. Revenue is going to be going all day, so I'll take a little break in here.

**HARDIN:** OK. We, we like to think we're more refreshing than Revenue, so that's great.

**RIEPE:** And slightly brighter.

**HARDIN:** Oh, that's right. Proponents for LB96.

**HARDIN:** Welcome.

**BRAD JOHNSON:** Hello. Good afternoon, Chairman Hardin and members of the Health and Human Services Committee. My name is Brad Johnson, spelled B-r-a-d J-o-h-n-s-o-n. I'm the director of Lancaster County Department of Corrections. I'm here to testify in support of LB96 on behalf of the Lancaster County Board, my department, and the Nebraska Jail Administrators. First and foremost, I want to sincerely thank the Legislature as a whole and this committee for your dedication to protecting our residents and supporting individuals as they transition into the community after incarceration. Your service and leadership are invaluable in fostering a safer and healthier Nebraska. LB96 is a crucial step forward in improving care, transition, and reentry outcomes for eligible individuals leaving incarceration. This legislation will enhance public safety and reduce recidivism by ensuring continuity of care upon release and during reentry. Specifically, LB96 will: facilitate early connections between individuals living with mental illness or substance use disorders and essential health services and reentry resources, improving their chances of successful reintegration; provide financial incentives to healthcare providers who establish these early connections, ensuring continuity of community-based care and reducing the burden on emergency services; leverage federal funding to ease local and state financial barriers, allowing Nebraska to allocate resources more effectively; support current case management services for up to 90 days prerelease, ensuring that individuals receive the necessary support before transitioning back into the community; enhance access to medication-assisted treatment for individuals with substance use disorders. Funding limitations currently prevent adequate provisions of medication for opioid use disorder both before and after release. LB96 would help bridge this gap, ensuring that individuals receive the treatment and reentry planning support they need. Enable the provisions of a 30-day supply of all medications-- prescription medications at the time of a release, reducing health-related crises and improving post-release stability. Additionally, LB96 includes a

demonstration waiver for health-related social needs, which will provide formerly incarcerated individuals with essential temporary support, such as housing assistance for up to 6 months, reducing homelessness and promoting stability, food assistance for up to 6 months, addressing immediate nutritional needs and supporting overall well-being. By investing in these evidence-based strategies, LB96 will not only improve individual outcomes, but also enhance community safety, reduce recidivism, and create long-term cost savings for the state. I urge you to support this critical legislation and help us build a stronger, healthier Nebraska. Thank you to Senator Dungan for introducing LB96, and thank you for the opportunity to testify and for your service to our great state. I will happily answer any questions you may have.

**HARDIN:** Thank you.

**BRAD JOHNSON:** You betcha.

**HARDIN:** Senator Fredrickson.

**FREDRICKSON:** Thank you, Chair Hardin. Thank you for being here and for--

**BRAD JOHNSON:** Sure.

**FREDRICKSON:** --the work you do. Senator Dungan mentioned in his opening, and I was just kind of curious if you had more information on-- so it sounds like one of the-- for the fiscal note, at least, one of the primary drivers seems to be the, the housing component.

**BRAD JOHNSON:** Correct.

**FREDRICKSON:** Do you have a sense of the percentage of folks who are utilizing that currently, or even just ballpark, just so we can kind of get a sense of--

**BRAD JOHNSON:** Well, the--

**FREDRICKSON:** Yeah.

**BRAD JOHNSON:** I can't really give you an answer to that because we-- at this time, we don't really provide them with any assistance in, in housing, because there is no funding mechanism for us to provide that. I can tell you that there-- I mean, housing is a significant issue for my pop-- population once they get out. Appropriate housing, I think, should be stressed as well. I mean, sure, some of them are going and

live-- living on somebody's couch, and some of those may not be real strong influences. So having the ability to deal with the appropriate resources and community support places to create this housing would be a, a tremendous benefit for us, I believe.

**FREDRICKSON:** Thank you.

**HARDIN:** Other questions? Thanks for being here.

**BRAD JOHNSON:** Perfect. Thank you.

**HARDIN:** Proponents, LB96. Welcome.

**JASMINE HARRIS:** Hello. Chair Hardin and members of the Health and Human Services Committee, my name is Jasmine Harris, J-a-s-m-i-n-e H-a-r-r-i-s, and I am here as the director of policy and advocacy for RISE, and I request that testimony be included as part of the public hearing record to show that we are in support of LB96. RISE is the largest nonprofit organization in Nebraska focused solely on habilitative programming in prisons and reentry support. Our inside/out model bridges incarceration to the community and considers all the critical steps in that journey. Our mission is to break generational cycles of incarceration. We thank Senator Dungan for introducing LB96 as a solution for the gaps we see for people who are returning back to communities after incarceration. Working with individuals as they are returning home after incarceration puts us in a position to witness firsthand the struggles many encounter as they try to adjust back to life outside. We refer to reentry as a crisis, because a lot of times, people are released with no home, no job, no food, and no one to assist them. We provide ongoing supportive services through case management, peer support, financial assistance, and referrals. Organizations like RISE fill a very critical need to ensure people have support as they are coming back home, to get their lives back on track. Passing LB96 could have many positive implications in Nebraska, which will have an overall impact on overcrowding, recidivism rates, and growing costs with the Department of Corrections. The services we provide the most support for with our clients include housing and rental assistance. We also see a large need for referrals with mental health and substance use. What Senator Dungan is proposing with LB96 would provide the ability for our reentry navigators to connect our participants with dependable services and know that those services can be taken care of. Trying to determine how things will be paid without a source of funding of income is next to impossible, especially when funding sources are dependent upon philanthropic donations. Sometimes those philanthropic

priorities shift, and organizations are left trying to determine where the next funding source is located. At this time, there's a lot of uncertainty about funding of federal programs, I've heard from a couple of you earlier today. But I believe that it is still in our best interest as a state to advance bills that will help us reduce the long-term impact of incarceration on our state, with the hopes that the federal government will see that the benefits of these programs far outweigh the costs. The phrase goes, stay ready so you don't have to get ready. And I believe LB96 puts us in a position to be ready to serve our people in a more humane way when they are released from incarceration, and this is why RISE supports LB96 and asks that you all vote this out to General File. And I'll be glad to answer any questions that you have, and my light isn't red yet. That was LB952, introduced by Senator John Cavanaugh, which was amended into Senator Lathrop's LB921, back in '22.

**HARDIN:** Very good. Questions? Did you know I used to be a prison chaplain?

**JASMINE HARRIS:** Yes. You told me the first time we met-- in Colorado.

**HARDIN:** Colorado.

**JASMINE HARRIS:** Yes.

**HARDIN:** That's right. OK. Appreciate you being here.

**JASMINE HARRIS:** Yes. Thank you.

**HARDIN:** Thanks. Proponents, LB96. Welcome.

**ALICIA CHRISTENSEN:** Thank you. Good afternoon, Chair Hardin and members of the Health and Human Services Committee. I'm Alicia Christensen, A-l-i-c-i-a C-h-r-i-s-t-e-n-s-e-n, testifying in support of LB96 on behalf of Together, an organization working to help everyone in our community access sufficient, nutritious food and a safe, affordable home. Many of the people that we assist with exiting homelessness have a criminal record, and there is a pervasive homelessness jail cycle that makes the barrier to finding stable, affordable housing even more significant. So-- but I think we can all agree that a wide range of factors affect our health, which from-- sorry-- from-- where-- how much we exercise to our family history. Social determinants of health are the conditions in which people live, work, and age, so things like whether you have access to higher education, how much you earn, or if the soil in your front yard is contaminated with lead. What may be surprising is that these social

determinants of health are the primary drivers of health outcomes. They're more influential than clinical care, than health behaviors or other factors. However, addressing the social determinants of health is mostly outside what we would consider healthcare. Therefore, we spend enormous amounts of money on reactively mitigating illness and disease instead of proactively preventing these harms. It's clear that current health policy regarding reentry populations offers a poor return on investment. Nebraska has struggled to adequately address the homelessness jail cycle, food insecurity, chronic disease, and access to behavioral health, health care. As a result, formerly incarcerated individuals often experience poor health outcomes while the state sustains high costs of frequent emergency department utilization, crisis intervention, and hospital admission. There's a substantial body of evidence showing that the best way to improve health outcomes and lower healthcare costs for underserved populations is to shift resources toward upstream interventions for health-related social needs, which are an individual's unmet adverse social conditions, like homelessness or food insecurity, that contribute to poor health. Notably, positive outcomes are most pronounced in underserved subsets of Medicaid, Medicaid beneficiaries like reentry populations. These individuals are the ones that face the greatest health-related social needs and are more likely to require complex, chronic, and costly care. LB96 would make a strategic health policy change, shifting resources upstream to address reentry populations, health-related social needs, integrating clinically appropriate and evidence-based services into a traditional health system. This is innovative programming and it-- but it's implemented within the fiscal guardrails established by CMS. That includes budget neutrality expenditure limits. We can see the return on investment in a wide range of studies, as well as the outcomes in other states that have implemented similar Medicaid waiver programs that document improved health outcomes, decreased health disparities, and lower healthcare costs. Therefore, Together urges the committee to advance LB96 and support this necessary shift in policy.

**HARDIN:** Thank you.

**ALICIA CHRISTENSEN:** Yes.

**HARDIN:** Questions? Seeing none, you got off easy.

**ALICIA CHRISTENSEN:** Thank you.

**HARDIN:** All right. Thank you. Proponents for LB96. Welcome back.

**SARAH MARESH:** Thank you. Again, Chair Hardin and members in the Health and Human Services, Human Services Committee, my name is Sarah Maresh, S-a-r-a-h M-a-r-e-s-h. I'm the program director for the Health Care Access Program at Nebraska Appleseed. And we're a nonprofit legal advocacy organization that fights for justice and opportunity for all Nebraskans. We support this bill because this bill will not only help Nebraskans connect to the care that they need to be well, it can also help reduce costs from the state and strengthen our communities. Immediate access to healthcare upon reentry is key to supporting a safe and successful reentry and community. Even though healthcare access is commonly noted as an issue of concern for those reentering, healthcare may not be a focus when people are prepared for release, and prompt access to healthcare upon reentry is critical, as people reentering have more complex health needs than the general population, making care especially important in those foundational first weeks after reentry. And people who have been incarcerated face additional barriers to obtaining healthcare after reentry, because they often have few connections to healthcare providers and supports, and have to face things like waitlists that a lot of us have experienced ourselves. This bill, in part, would allow for people to temporarily receive Medicaid coverage before release, providing them access to important services and connection to care to prepare for successful reentry. This would also permit managed care organizations, or MCOs, to do what is called In-Reach into facilities, in order to help coordinate care in advance of people actually leaving the facilities, which can be really beneficial, especially with people with high health needs. Before Medicaid expansion was implemented in October of 2020, in Nebraska, many individuals reentering were not eligible for Medicaid. But now, estimates indicate that many of those who are reentering are now eligible for Medicaid expansion. We also had a question of DHHS and the fiscal note. We see that of those that they thought would be eligible for Medicaid upon release, that they determined that only 20 of those would be elig-- 20% of those would be eligible for Medicaid expansion, while 80-- they estimated that 80% would be eligible for other Medicaid categories. And we're curious, just because recent research we've seen indicates that far more people would be eligible under Medicaid expansion, meaning that there would be far more dollars that we'd be able to get from the federal government to help cover these costs. And I will also just say that currently, the practice of the Department of Health and Human Services is they are required to provide Medicaid enrollment assistance to people leaving state or Lancaster, Douglas, and Sarpy County correctional facilities. And this was the bill that was mentioned before, but it's-- currently sits at Nebraska Revised Statute 47-706.

And that requires that Medicaid enrollment assistance be provided to people 60 days before release. 45 days before release, the Department of Health and Human Services is required to submit their Medicaid applications. And under federal law, the state cannot take typically longer than 45 days to process people's application for Medicaid. So in practice, that may mean, as the senator mentioned in his opening, that people aren't getting Medicaid coverage until right before they leave or getting set up for Medicaid coverage right before they leave. But this bill also would not only streamline that process and make it happen sooner, it would also help further improve reentry practices by providing that temporary prerelease coverage for a host of Medicaid services, so people re-entering can get that connection to care before that they leave and have it set up. And as folks had mentioned, evidence has indicated that connecting people who are formerly incarcerated to healthcare can help reduce recidivism, and many other states have already taken up these options and are drawing down federal funds to help defray costs at their state level, and also improving community health and community safety in the same way. Because this bill will help reentering Nebraskans connect to the care they need, we support this bill and hope you do, too. And I'm happy to take any questions.

**HARDIN:** Thanks. Questions? Seeing none, thank you.

**SARAH MARESH:** Thank you.

**HARDIN:** Proponents, LB96. Opponents, LB96. Those in the neutral. Senator Dungan, welcome back.

**DUNGAN:** Thank you. Thank you, again, Chair Hardin and members of the committee. I want to, obviously, thank all the folks who came and testified today. I've been working on this bill for quite some time with Lancaster County. I want to be very clear that this is one of Lancaster County's priorities, but this doesn't just help Lancaster County. It obviously is going to help any county that is going to be able to utilize these reentry services. Certainly Douglas County and Lancaster County, some of the more populous areas, I think are going to see the largest property tax relief off of this, but it really would, I think, assist in every area of the state. In addition to that, this also contemplates, I believe, DCS. And so, this is going to be a, a major cost savings, I think, to a lot of folks. And I do appreciate the last testifier specifically pointing out the Medicaid expansion versus folks who are eligible for regular Medicaid. Obviously, the FMAP for that expansion population is 90% federal funds, 10% state funds, so it's just yet another, I think, example of

how this fiscal note, hopefully, in practice and in all reality, will be significantly less. I think the 20% estimate they made about the expansion population is a conservative estimate. Certainly, again, Fiscal is often constrained by what we know and what we don't know. And there's-- you can only make so many guesses, and I don't fault them for that. But I do think that this-- the fiscal note will be vastly reduced if, in fact, this were to go into effect. If the members of this committee want to continue to have a conversation, as well, about parts of this that could be implemented, if there's concerns about other parts, I'm happy to have those conversations, specifically when it comes to the social determinants of health outcomes and the various services that this 1115 waiver could be used for. If there's areas of concern over others, I'm happy to talk about things we could or could not include. This is based off of what the other states have had approved. And so again, this has already been implemented in 19 states for one of those waivers, 16, I believe, for the others. It's new enough that we don't really have demonstrative outcomes because this is just being implemented in the last year or two, but I will absolutely look into trying to find some examples of cost savings and the effect that it's had on recidivism, at least in the short term, because I think that would be exemplary of why this bill needs to be passed. Taking all of that out of it and just looking at the human aspect, which I think is important, this bill will help people get back on their feet who have served their time, which helps all of us as a society, when we know people that are back in the community and supported and it will reduce recidivism, which, if I'm being honest, creates safer communities. So I think this is a win-win-win-win, so long as we can find the money for it. And I do believe the money exists, especially with a vastly reduced fiscal note when it actually goes into implementation. And I would appreciate your consideration of LB96 moving forward. With that, happy to answer any questions you might have.

**HARDIN:** Questions? Seeing none, thank you.

**DUNGAN:** Thank you, sir.

**HARDIN:** We had online, 18 proponents, 2 opponents, 1 in the neutral, and this concludes our hearing for LB96.

**SPIVEY:** Thank you.

**HARDIN:** Next up, we'll have LB283 Senator Spivey. We'll wait just a little bit here, Senator Spivey. Let the room kind of get settled. All right. Welcome.

**SPIVEY:** Thank you, Chair Hardin, Vice Chair Fredrickson, and members of the Health and Human Services Committee. I feel like it's kind of bright in here today, though, like I'm more of in a spotlight, which is different. But excited to be here today with you all and introduce LB283, which simplifies the enrollment process for families in the state by implementing Express Lane, or ELE, under the administrative process for Medicaid and the Children's Health Insurance Program, also referred to most commonly as CHIP. So LB283, what it does is streamlines the enrollment process by allowing government agencies in, in Nebraska to work together to ensure eligible children enrolled in SNAP are automatically enrolled in Medicaid or CHIP. It reduces administrative burdens on families, healthcare providers, and state agencies by simplifying the enrollment and renewal processes. It improves healthcare access for Nebraskans' children-- Nebraska's children by removing bureaucratic barriers and ensuring that they receive the care they need without unnecessary delays. And again, it really saves the state money because it's reducing the enrollment process, which is tied to some fees and increasing efficiency in state agencies. This bill does not expand eligibility for Medicaid or CHIP. It only is streamlining the enrollment process for children who are already eligible. It does not increase government spending long-term. And so, there are some initial investments to get ELE up and running, but it has shown to have significant cost savings over the future because, again, you have efficiencies in the processes, as well as across agencies. And it does not create new mandates for families, and so participation in Medicaid and CHIP still remains voluntary. It does not change any eligibility criteria, either. So LB283 is necessary because ELE has been proven to work in other states. Take Louisiana, for example, was one of the first states to implement automatic ELE, and they saw significant cost savings. Initially, they had a $600,000 investment, but both the investment-- but that investment saved the state millions. Traditional Medicaid applications cost the state $116 per application, whereas once ELE was implemented, it reduced the cost to just $12-15 per application. And there is a large volume, of course, as you know, within, within that population and, and folks using those services, so we will see those substantial cost savings, as well. There was also a federal audit that saw substantial savings. So the U.S. Government of Accountability Office and the Urban Institute reported that several states saved millions of dollars in administrative costs by implementing ELE. One state, for example, using the automatic ELE framework, saved $7.3 million between 2011 and 2014. Another state reported cost reductions of $25.77 per initial enrollment, and $5.15 per renewal. So again, as we also are in this space of budget deficit, government efficiencies, being fiscally

responsible, this is a way and a process to really align with that. This also reduces burdens on families and schools, so ensuring children are enrolled in Medicaid or CHIP helps strengthen school-based health services, allowing children to receive care without disruption. DHHS, they're, they're not coming to testify, but did submit a comment in neutral capacity. They are in the process at looking at this. This bill has been brought before this committee, so this is not a new bill. And the one thing that they asked me to consider was an amendment on the date, so changing it from January 1, 2026 to January 1, 2027, which I told them I would absolutely do that. And they did talk about just some concerns about just audits or having people enrolled that shouldn't be enrolled, and so that there was potentially an 11% error rate. And so that rate in that, that study, that was attributed to a passive EL-- ELE model at the federal government level, but there have been studies at the state level, around what does automatic enrollment look like. And because of the data that they're getting from SNAP to auto enroll, that there are less kids that would be enrolled that are not eligible. So that would actually go down, and is not applicable in the same way like it is in the previous studies and when this bill was brought before. And so, again, this is really about best serving some of our most important people in the state, our kids, and that they have the care that they need to be successful. And so I encourage you to support LB283 and move it out of committee. I appreciate your time and consideration, and will be happy to answer any questions that the committee has.

**HARDIN:** Thank you. Senator Fredrickson.

**FREDRICKSON:** Thank you, Chair Hardin. Thank you, Senator Spivey, for being here and bringing in the bill. This, this might sound like a very simple and maybe even silly question, but what what, what prevents us from doing this now? Is there just kind of privacy related-- like how-- help me understand why we can't just do something like this.

**SPIVEY:** Right. So the state has actually kind of embarked on this process. There was some issues around the systems that we were using previously when this bill was brought forward, around information sharing, did we have the infrastructure. And so the state is looking at streamlining, but not necessarily the same framework as ELE, which has been proven to be a more efficient model. And so this says we know that you all are thinking about this and working on it. Let's use this model because it's proven it saves money. You now have the infrastructure to support it. And then there's not the additional worries around like effectiveness and privacy and all of that.

**FREDRICKSON:** OK. So--

**SPIVEY:** So this is really kind of codifying what the state has the potential to do and giving them a framework and timeline around it.

**FREDRICKSON:** Got it. But currently, there's no statutorial limitations to the state doing it?

**SPIVEY:** Correct.

**FREDRICKSON:** OK. Got it.

**SPIVEY:** Correct.

**FREDRICKSON:** Yep. Thank you.

**HARDIN:** OK. Other questions? Seeing none, will you be with us?

**SPIVEY:** I absolutely will.

**HARDIN:** Great.

**SPIVEY:** Thank you, Chair. Thank you, Committee.

**HARDIN:** Proponents, LB283. Welcome.

**GARRET SWANSON:** Thank you. Chairman Hardin and members of the Health and Human Services Committee, my name is Garret Swanson, G-a-r-r-e-t S-w-a-n-s-o-n, and I'm here on behalf of the Holland Children's Movement in support of LB283. It's good to see you all again, Senators. Most of you have seen this bill before. And Senator Day previously carried it, and we thank Senator Spivey for picking up the baton and racing it towards the finish line. Although the bill is the same, the circumstances are different. No longer is DHHS contending with the wind down of COVID-era medical Medicaid rules. And now ISer-- and IServe is now the primary portal through which Nebraskans can apply for benefits. I'd like to thank and congratulate the department for its implementation of IServe. The streamlining of several benefit applications in one web portal is a boon for Nebraskans. However, DHHS's mission to help Nebraskans live better lives is ongoing, and LB283 will help the department to provide better service for Nebraskans at a lower cost. Senator Spivey already touched on how ELE will save Nebraska money, just as it is for other states. In our research, we conclude that it will more than pay for itself. Now, Senators, I have full faith that the department can implement automatic enrollment without growing error rates. In 2016, the Office

of Inspector General audited and published 3 reports on the ELE program and its implementation. The 3 reports concluded that states that implemented ELE were overwhelmingly happy with their decision to do so, and it saved them time and money. However, there were hiccups. As the fiscal note states, every year, states that implement ELE send a representative sample of their EL-- ELE populations to CMS, and CMS tests their validity. The 2016 OIG audit gave us insight into problems with error rates and why Nebraska will avoid them. States that did have errors made mistakes such as not checking the citizenship of an applicant, something Nebraska already does. Several states attributed errors due to lack of data sharing agreements and a unified benefits system. Nebraska has solved for that. One state did not follow their own plan in implementing the program. I have full faith that DHHS can implement its own program. We have over 10 years of examples to follow in implementing ELE. I do not believe there will be a concern with error rates. States are still trending, trending towards implementing ELE, Georgia being the most recent state to adopt ELE in 2022. Representative-- Republican State Representative Sharon Cooper carried the bill, citing Georgia, Georgia's neighbors Alabama, South Carolina, Carolina, and Louis-- Louis-- excuse me-- Louisiana as successfully implementing ELE. The law did pass with almost every Republican and Democrat in the State House and Senate voting for it. Georgia's Department of Family and Children's Services head, Tom Rawlings, cited ELE as critical for reducing the cost of processing applications and helping rural families with limited Internet access to receive benefits. I understand there's some hesitancy, hesitancy from some members of the committee to implement ELE while there is, while there is uncertainty with the federal government. In Trump's, Trump's first term, Republicans and President Trump decided not to cut funding or recent authorization for ELE. In fact, Republicans and President Trump extended CHIP and the ELE authorization until 2027. That will give us more than enough time to re-- reevaluate if E-- ELE, if the authorization is changed or rescinded. Even then, I've seen no indication that President Trump is interested in cutting CHIP. And with that, I thank you for your time, Senators.

**HARDIN:** Thank you. That was amazing. Just right when the light came on.

**GARRET SWANSON:** I might have practiced like 7 times.

**HARDIN:** That was impressive.

**GARRET SWANSON:** But-- thank you.

**HARDIN:** Thank you. Questions? Seeing none--

**GARRET SWANSON:** Appreciate it.

**HARDIN:** Appreciate it. Thank you. Proponents, LB283. Welcome.

**TREVOR TOTEVE:** Good afternoon, Chairman Hardin and Health and Human Services committee members. I'm Trevor Toteve. It's T-r-e-v-o-r T-o-t-e-v-e, a policy analyst at OpenSky Policy Institute. We support LB283 because this bill would reduce lapses in Medicaid and CHIP coverage, ensure consistent access to children's healthcare, and save the state time and money by reducing administrative burdens. Medicaid and CHIP enrollees must renew their eligibility every 12 months. This process often results in eligible enrollees losing benefits for some time, then regaining coverage months later, a process called churn. In fiscal year '24, over 8,000 beneficiaries lost coverage and were re-enrolled within 12 months, and over 4,000 were children. The most recent data, absent COVID-19 policies, indicate that over 78% of dis-enrolled children were dis-enrolled for procedural reasons. Churn is costly, and one study suggests that it costs a state between $400 and $600 per redetermination. This results in $3-5 million in excess administrative costs to the state. Express lane eligibility would ease some administrative burden and allow automatic initial applications and renewals for Medicaid and CHIP, using SNAP data to verify eligibility. The majority of children enrolled in SNAP are also enrolled in Medicaid or CHIP, and SNAP is therefore well-suited to verify eligibility and prevent lapses in coverage. Lapses in healthcare coverage are a detriment to the state, but more importantly, to the health and well-being of our children and families in Nebraska. Research shows that lost coverage, even for a short period, results in delayed care, use of costly healthcare services like the emergency room, and worse health outcomes that can lead to higher costs down the road. One study showed that coverage gaps in children of only a few months led to unmet needs, while those who experienced a coverage gap of longer than 6 months had unmet needs similar to or worse than children who have never been insured. ELE can ensure these children receive continuous coverage and prevent lapses in coverage and potentially detrimental healthcare outcomes. Lastly, DHHS has improved IServe Nebraska in the last few years, through investments and collaboration with the Centers for Medicare and Medicaid Services. We understand that IServe can now handle initial applications and redeterminations for Medicaid, CHIP, SNAP, and other health and economic assistance programs. The lack of data integration between Medicaid and SNAP has historically been a roadblock to implementing ELE. It is our hope that the upgrades to IServe and

investments in this bill ensure ELE implementation, as well as prepare Nebraska for a more efficient future with assistance programs. The benefits of continuous coverage for kids far outweigh the costs. And for these reasons, we support LB283. Thank you, and I'm happy to answer any questions.

**HARDIN:** Thank you. Questions? Seeing none, thank you.

**TREVOR TOTEVE:** Thank you.

**HARDIN:** Proponents, LB283. Welcome.

**AMY BEHNKE:** Good afternoon. Chairman Hardin and members of the committee, my name is Amy Behnke, A-m-y B-e-h-n-k-e, and I'm here today on behalf of the Health Center Association of Nebraska and our 7 Federally Qualified Health Centers, here today in strong support of LB283, and we'd like to thank Senator Spivey for introducing the bill. Health centers so-- serve over 121,000 patients annually across the state of Nebraska. We see patients without regard to their insurance status or ability to pay, and are an essential element of the safety net system in Nebraska. The majority of our patients are low income, and 40% of our patients are enrolled in Medicaid. Along with primary comprehensive care services, Nebraska Health Centers provide enrollment assistance. Health centers currently employ 45 individuals across the state, including federally funded navigators and certified application counselors who help Nebraskans sign up for marketplace plans, Medicaid coverage, and economic assistance programs like SNAP. Since the health centers began their enrollment assistance in 2014, they've assisted over 750,000 individuals with the enrollment process, including almost 270,000 individuals enrolling in Medicaid. Enrolling in Medicaid can be a challenging process for anyone, especially those with low health literacy or those who have never enrolled in health insurance before. Forms can be confusing and unclear, and require significant additional documentation, which many patients may not have on hand. This can require multiple trips to the health center to work with assisters, which can be a significant barrier to those without reliable transportation. This makes it significantly harder for individuals to get enrolled in health coverage. Streamlining the process of enrolling in Medicaid for children will help kiddos get enrolled in coverage and keep that coverage. A significant portion of denials and dis-enrollments are due to paperwork issues. We recently had a navigator assist a client who had applied for Medicaid and submitted an income verification 4 different times, but her application continued to be denied. For whatever reason, the documentation never made its way into the system. It wasn't until the

navigator got involved that they were able to finalize the application, getting coverage approved for the client and her daughter. The client's daughter had been waiting for that Medicaid coverage to have a needed surgery. Keeping kids enrolled in Medicaid is vital to their overall health and wellness. Children enrolled in Medicaid are more likely to have a usual source of primary care, access needed healthcare services in a timely manner, and are able to afford needed medication. Streamlining access to benefits for those who are eligible is a good investment in the health and future of Nebraska's families. So with that, I would urge your support, and I'd be happy to answer any questions you may have.

**HARDIN:** Thank you. Questions? Seeing none, thank you.

**AMY BEHNKE:** All right. Thank you.

**HARDIN:** Welcome back.

**ANAHI SALAZAR:** Hello. Thank you. Good afternoon, Chairperson Hardin and members of the Health and Human Services Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm a policy coordinator with Voices for Children in Nebraska, and here to support LB283. Consistent access to healthcare for kids is a critical component of healthy development, and Voices for Children in Nebraska supports LB283 because it removes barriers to health insurance coverage by implementing express lane eligibility, or ELE, a proven tool that simplifies enrollment for families. In 2023, 32,176 Nebraska children, or about 7% of all children, children in the state lacked health insurance. Nebraska ranks 19th in the nation for the number of uninsured, uninsured children. Medicaid and CHIP play a crucial role in ensuring children receive essential care, including developmental services for about 221 children, behavioral health services for over 30,000 children, and support from over 1,300 pediatric providers across the state. When children lose access to healthcare, they face worse health outcomes, delayed treatments, and missed early interventions. But when access is simple and consistent, children are more likely to receive necessary checkups, vaccinations, and developmental screenings, preventing more serious health issues down the road. According to the Center for Children and Families, in 2023, 8.4% of children living in a household with a federal poverty level of 0-137% were uninsured, and 3% of uninsured children were living in a household with a hun-- with 138-249% federal poverty level. Over the past decade, states nationwide have adopted innovative policies like ELE to ensure children stay insured. These policies not only improve health outcomes, but also reduce costs for the broader healthcare

system by emphasizing preventative care. In addition, the screenings embedded in most pediatric practices can also help identify developmental issues that may benefit from early intervention. Access to health insurance is directly linked to a child's well-being, educational success, and long-term opportunities. LB283 is a smart, practical solution to help more Nebraska children get the health coverage they need. We appreciate Senator Spivey's leadership on this issue and the committee's thoughtful consideration. We respectfully urge you to support LB283. Thank you.

**HARDIN:** Thank you. Questions? Seeing none.

**ANAHI SALAZAR:** Thank you.

**HARDIN:** Thank you. LB283? Welcome.

**EDISON McDONALD:** Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. I'm the executive director for the Arc of Nebraska. We advocate for people with intellectual and developmental disabilities. We are here in support of LB283, because our members have far too much paperwork to fill out and programs to understand. This helps to simplify and speed up the pathway to services for many of our members. We frequently have calls to our office and our chapters that spend an inordinate amount of time walking families through the basics of these issues. With a confusing cross of programs, lack of interdivisional knowledge, failed communication between divisions, inexperienced staff, and more families are left in difficult situations with little assistance or direction. Frequently, when they get guidance, it's incorrect. But because it comes from a DHHS staffer who speaks assertively, they accept it as fact and frequently end up missing out on critical programs. From previous survey data on the application and eligibility process, we have found several issues of concern. The lack of cross divisional expertise leaves confusion. From survey data we have gathered from families, they have shared: Family 1: They would like to see the entire process change, starting from the initial application. Family 2: I wasn't sure how to complete the paperwork. Family 3: I was in limbo for months. This tells me that we need changes to our application processes to smooth out the process and ease burdensome paperwork so we can decrease government bureaucracy. It's a larger benefit than the initial eligibility determinations we think will be the benefit of using ELE for re-determinations, automatic enrollment, and automatic renewals for eligible children in the Medical Assistance Program and the Children's Health Insurance Program. This will significantly decrease the amount of times that families and organizations like ours

will have to spend assisting families to navigate the complexities. Through the Medicaid unwind process, the implementation of the family support waiver, the governor's plan to eliminate the wait list and other recent changes, we've had a lot of conversations regarding eligibility and assessment tools in the last few years. Another assessment tool that I'd point you to is to look at shifting Nebraska to become what's referred to as a 1634 state under the Social Security Administration. There's a bill last year that Senator Walz had that would cover some of the same benefits of this program, but also help with other similar situations. We believe that that would also have some similar ben-- benefits and impact. We hope that we can ensure that this process becomes easier for families, and we would encourage you to pass this bill forward-- and take any questions.

**HARDIN:** Thank you. Questions? Tell me about this.

**EDISON McDONALD:** Yeah.

**HARDIN:** When you say-- tell me about this cross-pollinization that's not happening.

**EDISON McDONALD:** Yeah.

**HARDIN:** Give, give us [INAUDIBLE] an example of that.

**EDISON McDONALD:** So, for instance, what that looks like is within kind of the, the process for a lot of kids with disabilities. That means that they have to get approval from both the Medicaid Division and the Developmental Disabilities Division. So they'll supply the information to one division, but not to the other division. They'll think that, you know, you'd have Medicaid share that with DD, or vice versa. Not happening. Now, what that means is that they are shifting a lot of that eligibility and assessment process over to the Developmental Disabilities Division, but you're still going to have some of those same issues, because Medicaid is still going to have to sign off. So we're in the process of this transition, but what that's going to look like, how they're going to get around some of those ultimate responsibilities that the Department of Medicaid has, we just don't know. We are collecting survey data to better understand this, but it's, it's a mess. And so then, even very experienced family members or people who are both a family member and a professional are left kind of hanging. And so what I end up telling families is keep calling back, because that's the only way that, you know, you ensure-- and you have to contact both DD and Medicaid, to ensure that they're both keeping up with that.

**HARDIN:** Every 12 months.

**EDISON McDONALD:** So-- yeah. We're in the initial assessment process, and, you know, but also, what does that look like ongoing. You're going to see the same sort of things, and we saw that especially with the Medicaid re-determination process.

**HARDIN:** OK.

**EDISON McDONALD:** Yeah.

**HARDIN:** Other questions? Thank you.

**EDISON McDONALD:** Thank you.

**HARDIN:** Proponents, LB283. Welcome.

**KELSEY ARENDS:** Thank you. Good afternoon, Chair Hardin and members of the Health and Human Services Committee. My name is Kelsey Arends, K-e-l-s-e-y A-r-e-n-d-s, and I'm the senior staff attorney for Health Care Access at Nebraska Appleseed, testifying today in support of LB283 on behalf of Nebraska Appleseed. A key component of our work is ensuring that Medicaid works well, especially for the over 175,000 children who rely on Medicaid and CHIP for their healthcare, as well as those kids who are eligible but not yet enrolled or have been terminated from coverage. I wanted to really quickly address Senator Fredrickson's great question earlier, about whether there are any barriers to doing this. As Senator Spivey said, absolutely correctly, there's nothing that bars the state from adopting express lane eligibility. The department could submit this state plan amendment voluntarily, on their own, even without this bill, if they wanted to. And there are lots of options for states to use SNAP data or other data to determine Medicaid eligibility. One of the benefits of this particular option in using express lane eligibility with SNAP data is that there are minor differences in income counting rules for SNAP and Medicaid based in federal law, and what express lane eligibility does is says, that's totally fine that there are minor differences. You get to borrow that data anyway and apply it for Medicaid eligibility purposes. So with my testimony, you have a quick fact sheet that shows the differences in income eligibility for SNAP and categories of Medicaid in a really tiny, maybe hard-to-read chart on the first page, but that shows that the SNAP eligibility limit is much, much lower than CHIP and very close to or below other categories of Medicaid. So generally, what that means is that kids who are enrolled in SNAP are income-eligible for Medicaid. And what this bill does is let the

department just borrow that Medicaid income determination from-- excuse me-- that SNAP income determination and use it for Medicaid purposes to get kids enrolled or keep them enrolled automatically. When this bill has been considered in recent legislative sessions, DHHS has identified approximately 4,000 kids who are enrolled in SNAP but not in Medicaid, and that's exactly what this bill would do, is make sure those kids get the healthcare coverage that they already qualify for. One benefit-- you've heard a lot about the IServe application portal today. DHHS, just a couple of weeks ago, also released an announcement that IServe will now be able to handle Medicaid renewals, which is great, but there's no indication that those renewals will be consolidated with any other program renewals. So this-- streamlining is still necessary and would be beneficial to make sure that even-- not just at application, but also at renewal time, where we hear about churn and those really disruptive gaps in coverage. Kids who are qualified and, and are receiving SNAP are automatically enrolled in Medicaid, too. I have lots more in my testimony about the appropriateness of SNAP as an express lane program and the administrative benefits of automatic express lane eligibility, which is really critical as drafted that, that the program remain automatic. But for fear of the light, I'm going to pause there and say that I'm happy to answer any questions you might have.

**HARDIN:** Thank you. Senator Hansen.

**HANSEN:** You got physically nervous, just staring at the [INAUDIBLE].

**KELSEY ARENDS:** I know. I, I--

**HANSEN:** Made me anxious.

**KELSEY ARENDS:** I did get scared.

**HANSEN:** So didn't, didn't the department give us some kind of indication that they're looking to kind of move in this direction, with the update to IServe, like making things kind of-- not more streamlined, some more automatic, you know, relying on technology a little bit more? It was my indication that they're kind of moving in that direction, which is kind of what this is trying to accomplish, right, or am I wrong?

**KELSEY ARENDS:** I think yes. I think the comment that they submitted indicated that they've done a lot to bring IServe online and to integrate a lot of the programs already. I don't see any indication yet that says we're going to use SNAP data to enroll kids in Medicaid.

And so that's still-- you know, there can be lots of bites at the apple to provide more and more streamlining. This is one that's truly a no-brainer. Kids who qualify for SNAP qualify for Medicaid based on income, and so could, could be made even easier because of the steps they've taken to implement IServe and to, to streamline already. But this is still a, a missing piece that could help get kids covered and keep them covered.

**HANSEN:** OK. Thank you.

**KELSEY ARENDS:** Yeah.

**HARDIN:** Other questions? Thank you.

**KELSEY ARENDS:** Thanks.

**HARDIN:** Proponents, LB283. Opponents, LB283. Those in the neutral, LB283. Seeing none, Senator Spivey, if-- while you're returning, we had 36 proponents online, 4 opponents, 1 in the neutral.

**SPIVEY:** Thank you, again, Chair Hardin and members of the HHS Committee. I will keep this short and sweet and just add again that the goal of LB283 is to create that automatic enrollment. So to your question, Senator Hansen, that automatic piece is really important, which is in this bill, of using that data to check those other 2 services that are there, and then it's the SNAP data piece. And so there are other models that could be used, but this bill is kind of codifying a process that has been proven and has worked in other states, that really allow for the cost savings from those states, as well as the reduced bureaucracy of like, what do we use, what does that look like, and then, again, really making sure that there's not barriers to families so that children can get the, the services that they need. And so, with that, again, I encourage your support of LB283, and will be happy to answer any additional questions.

**HARDIN:** Questions? Seeing none, thank you.

**SPIVEY:** All right. Thank you, Chair. Thank you, Committee.

**HARDIN:** This is the end of our hearing for LB283. We'll transition the room over to LB588, and take just a moment before Senator Conrad excitedly brings us--

**CONRAD:** Some handouts.

**HARDIN:** --some handouts. I think we are ready if you are ready.

**CONRAD:** I was born ready.

**HARDIN:** OK.

**CONRAD:** Chair Hardin, members of the committee, my name is Danielle Conrad, D-a-n-i-e-l-l-e Conrad, C-o-n-r-a-d. I'm here today representing north Lincoln's 46th Legislative District, and I'm proud to present LB588. The page is passing out 3 handouts for your files and for your consideration. The first is a committee amendment that I am presenting to you. As you may have noticed in the fiscal note and otherwise, I drafted the bill that I introduced incorrect-- incorrectly. I opened up the wrong section with the wrong technical change to it. So this committee amendment that's coming around seeks to effectuate what I was attempting to do with the, the bill that I originally introduced. And what I was attempting to do with the bill that I introduced, and then if the committee would see fit to move it forward correctly with this amendment, is to better tie our ADC program to inflation. And here's why. I was reading a report from the Center on Budget and Policy Priorities, and it lifted up a variety of different ways that states could strengthen their TANF and ADC programs to make them work better for working families. And the good news is, Nebraska has done some of the things that were highlighted in that report. For example, we removed the family cap from this program years ago in a very strong bipartisan effort, so that large families were not penalized, in terms the amount of benefits that they could utilize during their short period of time on these programs. However-- and another thing that we could do to make the program better and stronger and better meet working families' needs, particularly when the poorest of the poor have fallen on hard times, is to better tie our program to inflation. It's common sense. We're all aware that with inflation, everyday goods and services cost more money. And so let me put this in concrete terms, generally speaking. The ADC TANF program was developed in 1996 as a product of welfare reform. At that time, a family household of 3, which is typical size for a family on ADC, would have gotten about $364 in monthly benefits. If the program for that same family of 3 had been adjusted for inflation to where we are today, in 2025, that family would be receiving about $744 per month. $364 in 1996, $744 today, if we would have adjusted for inflation, but we really haven't, and so where they are stuck today is at $552. So the money that was meant to provide basic support for subsistence living for the poorest of the poor when they fall on hard times, the value of that program and their benefits have been eaten up by inflation, just like many other programs have. And it's familiar to us. For example, we know about cost of living adjustments in Social Security, meant to guard against just this, right? This-- just this

kind of impact. So my point in bringing the bill forward was to try and better align our ADC program that serves approximately 3,000 of the poorest families in Nebraska to at least keep pace with inflation. So I am happy to answer any questions and appreciate your consideration.

**HARDIN:** Thank you. Questions? Senator Hansen.

**HANSEN:** Do we have any idea how much this is going to cost?

**CONRAD:** No. I-- we would need to spark another fiscal note. Because I think, as I mentioned, the error that I had in drafting and opening up the wrong section, I think, made it challenging, if not impossible for the Fiscal Office and our, our partners at the health-- Department of Health and Human Services to draft such accurately. We can move it, though, and that would spark that fiscal note, so we could see.

**HANSEN:** We could.

**HARDIN:** Are you saying we have to pass the bill in order to see what's in it? Is, is that what you're saying?

**CONRAD:** Well, I'm not quite saying that, but I-- we could probably get some adjusted non-official kind of updates from HHS or Fiscal if the committee was interested in moving something forward.

**HARDIN:** OK. Trying to make it true what, what you handed us here. OK. What--

**CONRAD:** Yes. Sorry. And to-- again, to reaffirm, the error is mine. It is not Drafters. It is not the Department. It is not Fiscal.

**HARDIN:** OK. No problem. Will you stick around?

**CONRAD:** Yes.

**HARDIN:** All right. Proponents, LB588. We should just keep your coffee cup up there.

**ANAHI SALAZAR:** I know. Yes. It's my last time. I promise. Good afternoon, Chairperson Hardin, members of the Health and Human Services Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm one of the policy coordinators for Voices for Children in Nebraska, here in support of LB588. Children must have their basic needs met to develop and succeed. For those growing up in poverty, every additional dollar can make a significant difference in a

family's financial stability. Families living, living at or near the poverty line are better positioned to thrive when parents can work or further their education and find jobs that pay a living wage, while receiving temporary assistance from programs like ADC, or Aid to Dependent Children. This program provides crucial support for necessities such as housing, food, healthcare, clothing, childcare, and transportation, offering stability and opportunity for both parents and children. Voices for Children strongly supports LB588, as it takes an essential step toward ensuring Nebraska families, especially children, have the financial security they need to grow and prosper. Nearly 60,000 children in Nebraska are living in poverty, with close to 25,000 experiencing extreme poverty. The ADC program was created to address this very issue. Not only does it provide a small amount of cash support for families facing financial hardship, it helps parents secure stable employment that allows them to transition out of the program and achieve long-term financial stability. However, the formula used to determine ADC benefit levels has remained unchanged since 2015, leaving many families without the support they need. LB588 aims to adjust ADC calculations to better reflect the real financial needs of families. These changes will make a difference in the lives of Nebraska's children by ensuring families are not left behind due to outdated numbers in statute. Voices for Children supports LB588 because it is a strong child welfare prevention strategy. Investing in public benefit programs is a powerful strategy for preventing child welfare involvement and promoting family stability. An estimated 85% of families investigated by child welfare agencies earn below 200% of the federal poverty line. Each additional $1,000 that states spend annually on benefit-- on public benefit programs per person living in poverty is associated with 4.3% reduction in child mal-- maltreatment reports, 4% reduction in substantiated child mal-- maltreatment, and 2.1% reduction in foster care placements, and more. Analysis suggests it also reduces racial disproportionality in CPS involvement. The National Academy of Sciences found that cash assistance could reduce CPS investigations by 11-20% annually, with a 29% reduction in CPS involvement for kids of color. This would be good news for both Nebraska children and the Nebraska General Fund, which covers most of the cost of child welfare. LB588 also encourages economic stability and maximize-- maximizes federal TANF funds for Nebraska families. I'm going to skip down to the very end. LB588 is a necessary-- a policy change that prioritizes the well-being of Nebraska's children by making ADC benefits more responsive to economic realities. We can help ensure that families have the support they need to provide a stable and nurturing environment for their children. Thank you, Senator Conrad, for

introducing this pro-kid policy, and I respectfully urge the committee, committee to support LB588 and invest in the future of Nebraska's children. Thank you.

**HARDIN:** Thank you. Questions? You do a very good job--

**ANAHI SALAZAR:** Oh, thanks.

**HARDIN:** --of compressing information, very broad information. And I just want you to know that. You, you do an excellent--

**ANAHI SALAZAR:** I appreciate that. Thank you.

**HARDIN:** --job putting these things together. You really do. So thank you. I think there aren't any questions for you.

**ANAHI SALAZAR:** OK. Thank you.

**HARDIN:** Appreciate it. Any pro-- proponents, LB588? Opponents, LB588? Those in the neutral? Welcome.

**JOHN MEALS:** Good afternoon, Chairman Hardin and members of the HHS Committee. My name is John Meals, J-o-h-n M-e-a-l-s. I'm the chief financial officer for the Department of Health and Human Services, and I'm here to testify in a neutral capacity on LB588. LB588 proposes to change the maximum payment level determination for the Aid to Dependent Children, or ADC program from using 55% of the standard of need to be calculated and tied to the annual inflation factor. LB588 does not specify which inflation factor to be used and also does not specify how the inflation factor is to be utilized in relation to the max payment level. The ADC program is funded with the federal TANF grant. DHHS receives approximately $56 million annually from the federal TANF grant. Per federal TANF regs, states may carry over unspent TANF funds each year. As of October of '24, Nebraska had a total TANF grant balance of about $113 million. This is down from $125 million in October of '23, which was down from $132 million in October of '22. DHHS' most recent TANF expenditure plan, which was published in October of '24, outlines all programs currently utilizing funding. Spending of TANF funds has exceeded the annual TANF grant amount each of the last 2 fiscal years. Based on current expenditure plan, the TANF grant balance will be depleted within fiscal year 2028. If additional funds are allocated for existing or new programs, the TANF balance will be depleted earlier, creating a decision to either 1) utilize state general funds or 2) reduce or eliminate existing programming. Thank you for your time, and I'm happy to answer any questions.

**HARDIN:** Thank you. Questions? So, the great crystal ball question. We're all kind of sitting, sitting around and trying to look around the corner or over the hill, and what the federal government may do with things like TANF and other experiences like SNAP and so on and so forth. Would you like to prognosticate out loud for us on the record here and look in your crystal ball?

**JOHN MEALS:** Would really prefer not to.

**HARDIN:** OK.

**JOHN MEALS:** I don't have any idea. I will give a, a shot at your question, though, Senator Hansen, about what this will actually cost. So in our-- in the TANF plan going forward, we have earmarked between $16 and $17 million per year. So if you take, you know, 1% of that is $160,000, approximately. So depending on which inflation factor is used and what that is in a given year, 1%, you know, 160,000 times whatever it ends up being, that would be your, your cost.

**HANSEN:** I think it was just 2.9 they came out with recently, I think.

**JOHN MEALS:** $0.5 million roughly, then.

**HANSEN:** Yeah.

**HARDIN:** OK. Other questions? Seeing none, thank you. Anyone else in the neutral? Senator Conrad. We had online, 8 proponents, 2 opponents, 1 in the neutral.

**CONRAD:** Thank you, Chair, members of the committee. I won't belabor the point. I think I'm the last hearing today, and standing between you and a 70-degree afternoon and a very festive evening that has been planned for our institution. So I just want to thank everybody who made time to be here today to share information. I thought the information from advocates and HHS was very informative and helpful. And I, I want to just reaffirm a couple of points. We haven't made any major changes or reforms to program design for these social safety net programs that are meant to support our poorest neighbors since essentially 2015. There were modest but meaningful changes that we helped to work through in the last biennium under Senator John Cavanaugh's bill, after we held multiple hearings and identified the fact that the Department of Health and Human Services was actually taking child support payments from the poorest families in the state. And we made some changes so that they could keep their child support and have access to benefits, but that's really about it. Over the course of our collective work together in this institution for many

decades, what happened was something like this-- and I'm generalizing. As the state decided to make major changes to our corporate incentive programs or to our revenue structure and our income taxes or other programs, there was a clear recognition amongst leaders, urban and rural, conservative and progressive, that if we are going to bend the will of government to benefit the wealthiest, we should also ensure we do not leave behind our neediest neighbors. And so over the course of much of this institution's history, we figured out they're going to put 7-- LB775 in place, they're also going to change the programs that help the working poor. They're going to make major changes on income tax or otherwise, they're also going to make updates to help the working poor. That tradition has been lost in recent years. This is one effort to reinvigorate that strong tradition that recognizes that all Nebraska neighbors have value. The last piece I will leave you with is this. Senator Meyer knows, because he's a colleague on the Education Committee. We heard from a group of paraprofessionals in Nebraska in our committee this week, who were talking about their work in our schools and how having some modest increases to their compensation would help them to stay working as paras, as special needs services, or as they work their way up to become teachers and address our teacher shortage and otherwise. And we heard from these really talented and passionate individuals about how they're making really at or just above minimum wage, in terms of this really important work that they do in our schools right now, and it's hard work and they love it, and they're really, really passionate about it. But some of the folks that we heard from are single parents, are going to school to become teachers, are working as paras in our schools. And something as simple as the snow days that have come forward this year during the periods of extreme weather, they don't get paid on snow days, even though the districts have already budgeted for it. They don't get paid. And something like a snow day, which is completely out of their control and their hands, losing a day's wages threw their family budget into a tailspin. And they budget carefully. And they think carefully about each of these pennies that come in. They're working. They're parenting. They're trying to work their way up the economic ladder. They're trying to do everything right. That is the economic reality of working families that this body is out of touch with. This is one small measure to try and move things in the right direction. Thank you.

**HARDIN:** Thank you. Questions? You're thoughtful.

**CONRAD:** I try.

**HARDIN:** Given our context of what is going on federally is kind of what I'm looking at. How, how do we wrestle with these kinds of challenges? How do we prioritize in the midst-- and, and part of what I'm looking at, I guess, is one of the hardest things to do-- we were kind of joking with a few earlier today in the Rotunda. If you have kids, kids have an exacting sense of justice, where if you, as the parent, tell them you're going to do something and then later on, you renege--

**CONRAD:** I'm very familiar with that, Senator. Yes. Yes.

**HARDIN:** --they, they, they, they, they come, they come back with a vengeance.

**CONRAD:** Yes.

**HARDIN:** And in general, this, a number of other bills that we heard today that all-- it's, it's easy to squelch a bill that's not worthy. The hard thing is what do you do when they are?

**CONRAD:** Yes.

**HARDIN:** And I guess I'm, I'm just asking you because you're thoughtful, the how question. How, how do we, how do we wrestle with that? And I, I-- this is just a-- we've got a somewhat empty room here--

**CONRAD:** Sure.

**HARDIN:** And I'm, I'm curious to get your thoughts.

**CONRAD:** Yeah. I mean, I think we wrestle with it as we typically have and do, with the resources and tools that we have available. We're at the midway point of the session now. We have a recent forecast in. We have our preliminary budget. People are going to start prioritizing the bills that are most important to them. We know what some of the committees are thinking in that regard. And at a certain point, every session, leaders sit down and they figure out what's most important to the majority of senators, and how do we prioritize and harmonize and make that work to move forward. What can we live with? How does everybody win a little bit? How do we make sure that we are giving credence to all sectors of society in this institution? So if we don't have chips on the table, we can't have those conversations. Each bill represents one of those chips. We'll have a shortened stack of chips after we look at the priority list this week, and kind of figure out how that will guide our session for the remaining half. Is there

economic volatility and uncertainty? Yes. Absolutely. But that cannot be reason enough to paralyze us from taking actions. Are there serious budgetary deficits and constraints and challenges we have to deal with? Yes, but it's a matter of political will to figure out how to move around a multibillion dollar budget to effectuate the state's priorities. I'm not sure where we'll go in the remaining 45 days, but I do think that there is a possibility and an opportunity to find some degree of consensus so that we can show Nebraskans that we're working together in good faith as they expect and as they deserve, to ensure some semblance of balance in our public policy.

**HARDIN:** OK.

**CONRAD:** That's a philosophical answer.

**HARDIN:** Thanks.

**CONRAD:** But, nevertheless.

**HARDIN:** Appreciate it.

**CONRAD:** Yeah.

**HARDIN:** Any other questions?

**CONRAD:** Thanks.

**HARDIN:** Thank you. This concludes LB588. We read our online comments and this concludes our hearings for today. We will be going into exec. And so we'll-- committee will reconvene here in about 3 minutes or so after the room kind of transitions, and we'll dive right--