

May 2, 1979

LB 138

county level is going to be increasing so is that state share going to be increasing. I asked the fiscal analyst's office to do a projection as to what the state's share would be if LB 138 was adopted and added to our current burden, and if the current rate of inflation and medical costs, which they say historically has been twenty percent, was continued. The figure they provide...right now the state is spending around thirty million dollars, our share of medicaid right now without 138. When you add 138 to that plus the inflationary factor by 1982-83 the medicaid program will be sixty-seven million dollars. Now to try and give, I guess, some comparison as to where that is, that is more than what we're paying now for like the University of Nebraska at Lincoln, which there was an effort to cut yesterday, and if this sort of twenty percent increase continues, if the state would choose to pick up the other ten percent, medicaid then would be the largest budget program in the state of Nebraska in five to six years. That may be what this Legislature wants to do. Right now the state and counties' share together in 1982 would be about ninety million dollars. The counties would stay at about twenty-one million dollars that would be paid each year in medicaid, but the state's would grow from thirty million to sixty-seven million. If 138 passes, if this rate of inflation continues, this will be a very major program if after 138 the decision to pick up the remaining ten percent, which seems to be I think the supporters of this bill would like to see, will quickly move to the state paying over a hundred million dollars in medicaid costs. What Senator Hoagland is suggesting is that before we make that commitment permanently let's see how it goes for two years. Maybe the rate of inflation will decrease for medicaid and there won't be any problem. Maybe state tax revenues will increase and there will be no problem. Maybe this Legislature will support a tax increase and there will be no problem. But for us to now make a commitment for three years and four years of this magnitude, tens of millions of dollars, I think is fairly risky, and I think Senator Hoagland's cautious approach deserves attention.

SPEAKER MARVEL: Before I go to Senator DeCamp, in the south balcony from Senator George's district there are thirty senior high students from Walthill School, and Mrs. Conneally is the teacher. Would you raise your hands so we can see where you are and say good morning to you? Where are you all? We're working on a bill now which would transfer part of the cost of the medical