

May 4, 1979

LB 172

also outline why this will still give Nebraska one of the most comprehensive certificate of need bills in the United States. So at this time, I would like to defer to Senator Hoagland for a section by section explanation of the amendments.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Hoagland.

SENATOR HOAGLAND: Colleagues, I would ask unanimous consent at this time to exceed the time limit. What I will do as briefly as I can explain the amendments but I may exceed my time slightly but I will try not to. Senator Schmit has indicated the extensive negotiations we have undertaken these last ten days and I am sure that other Senators will remark on that, too. Senator Schmit has also indicated that if this bill passes in the amended form as we are recommending today, we will have one of the five or six most workable and most comprehensive certificate of need bills in the United States. Now let me explain the changes that are present in the consensus amendments that twenty of us have signed and presented to the body today. Let me talk first of all about the strengthening provision that we add. Now we are adding, as you will see, on page 2 of the amendment, section 71 a recapture of depreciation provision. Now what this provision does is it puts into the Nebraska statutes existing regulations in the Department of Health that have been in effect since mid 1976, those regulations having been promulgated pursuant to federal regulation. Now this particular provision legislatively sanctions the recapture of medicaid payments for depreciation of assets that have been made, the recapture to take place at the time a nursing home is sold. Now we have had a little bit of difficulty getting information out of the Department of Welfare as to how this has been enforced but our information to date is the following: That since these regulations have gone into effect in 1976, there has been approximately twenty transfers of nursing homes in this state that have been subject to recapture and in only one of those instances has recapture in fact taken place. The amount in that instance was in the range of thirty to fifty thousand dollars. Now this particular legislative provision will encourage the Department of Public Welfare to see that recapture takes place in the remaining eighteen or nineteen and set certain time limits by which recapture has to take place in any subsequent sales in nursing homes. Now we have talked previously about the extraordinary increase in cost to the state as a result of rising medi-