

SENATOR CULLAN: Mr. Chairman and members of the Legislature, I would do this with the understanding that the . . . Senator Marsh, I would do this with the understanding that Senator Marsh's amendment which we just adopted will be incorporated by the bill drafter into my own amendments. I'm not trying to strike Senator Marsh's amendment, so I will proceed with that understanding. Mr. President and members of the Legislature since LB 378 was introduced there have been a number of changes in the federal rules and regulations that relate to the certificate of need process in the State of Nebraska. Some of you may not be familiar with the certificate of need process so I had distributed to you just a few moments ago a flow chart which will . . . lays out graphically what the certificate of need process is in the State of Nebraska. The flow chart shows you what a hospital or health care provider must do, procedurally from one step to another if a hospital is or a nursing home or health care provider is to go through the certificate of need process. LB 378 and these these amendments which I propose to it make a number of changes, technical changes, procedural changes and substantive changes as well in the certificate of need statute. The purpose of many, if not most of the changes, I think most of the changes which are contained in the request circulated to you this morning and are to comply with federal rules and regulations that have been made. . . changes have come about recently. I would like to, I think, get into the changes which I propose now, many of which are the same as exist in LB 378, but I would like to review for you these changes now. Perhaps the first change reflects the change in philosophy in Washington and the change of philosophy in the certificate of need in the State of Nebraska and that is some intent language early in the bill which provides that it is the public policy of the State of Nebraska that in addition to controlling the cost of health services it is also necessary to consider competition in health care as well as quality and availability of health care. That language does come from the federal rules and regulations and reflects the change in philosophy from mere franchising to one of promoting some sense of competition in health care industry. Another major change is that the capital expenditure minimum is changed from \$150,000 to \$600,000 plus a yearly adjustment equal to the percentage change in the Department of Commerce composite construction cost index beginning in October 1, 1981. This change has permitted by recent changes in the federal health planning law. Another change is that the definition of health care is changed to include in patient facilities owned or controlled by HMO's and rehabilitation facilities. This change is also required by federal rules and regulations. Much of the language that you see in request of, the committee. . . the amendment which I have