

SENATOR SCHMIT: Mr. President, members of the Legislature, I appreciate some of...most all of Senator Wesely's comments with the exception that I would have to disagree vigorously that the certificate of need legislation which we enacted in good faith several years ago has held down health care costs. I will get for you the records of the increase in health care cost to the State of Nebraska, to various institutions, to various groups and to various individuals in the past three years and allow you to judge for yourself if the present program is working. Now if you read the press, you would never guess that I had anything to do with those other amendments but some of these people who have been opposing Senator Cullan's amendments have come to me time after time and said, "Loran, when are you going to help us?" And I have told them very frankly, "I will help you when I see you have something worth fighting for." I think that I detect a tremendous amount of satisfaction with the hospital association and the Cullan amendments -and that bothers me, but I would have to say also, Senator Wesely, that you might as well be standing on a sandhill in western Nebraska trying to tell how much water is below your feet as to determine how the amendments here proposed will hold down health care costs. I'll tell you very frankly what I see as the problem. 90% of this discussion has been directed toward acquisition cost, cost of new construction, etc. 90% of the discussion has been done by people who have never invested a hundred million dollars in their life or ten million or a million. Let me give you an actual example and I hope I have the time to complete this in the event that I run overdue. We hear a lot of talk about CAT scanners and I went to some actual examples. A non-profit hospital buying a CAT scanner said that their hospital cost per each time they use it was \$300 and a doctor's office wanted to buy a CAT scanner and he was opposed in his proposal. He said, "I can buy a CAT scanner and I can service a patient for \$100 per patient and I'll tell you why." Because he said, "When I buy the thing I immediately get a 10% tax deduction of \$30,000. I'm in the 50% bracket that is \$60,000 of net income deductible. I depreciate the remaining \$270,000 over five years so the CAT scanner is then down to a \$105,000 and I can perform a CAT scan for \$100 where the nonprofit institution charges \$300." Now that is a strange contrast isn't it? Here we have a taxpaying individual, professional person who can perform the same service for one-third the cost of the nonprofit institution. We talk about the nonprofit nature of the hospitals, ladies and gentlemen, they have gone a long way since they were primarily