

March 1, 1982

LB 378

SENATOR HOAGLAND: Mr. President and colleagues, I would also like to rise in support of Senator Newell's proposal today but for a different reason than has been expressed up to this point. You know, I think that there are a lot of people around the state who are convinced that LB 378 in its current form is intended to gut the present Certificate of Need process and that if LB 378 passes, we are basically going to have no effective means at the state level to control the explosion of health care costs that is evidenced by this graph that Senator Wesely pointed out, passed out, fifteen or twenty minutes ago. You know it is interesting looking at Senator Wesely's graph and to see that in the fifteen years between 1950 and 1965 why health care expenditures increased from 4½% of disposable income to about 6½% of disposable income, and in the next fifteen years, from 1965 to 1980, those health care costs have increased from 6½% almost to 18% of disposable income. Now this explosion that we have seen in the last fifteen years and we are continuing to see, recent figures released by the press about three weeks ago indicated that health care costs are running two or three percentage points ahead of the cost of living increases, have really gone a long ways I think towards discrediting the medical profession and the hospital profession because the people out there are convinced that members of that profession, although I think a lot of us know they are trying very hard, are not doing everything they can to contain these health care costs. Now since LB 375 has been amended on the floor with an extensive rewrite at the beginning of the session without the public hearing that a lot of us would have liked to have had, including members of the health committee would have liked to have seen, why the three major newspapers in the state have written exceedingly strong editorials for those particular papers enunciating the extent to which this is going to be a serious setback at local efforts to control health care costs. The Omaha World Herald in late January wrote an editorial, a lengthy editorial, with the headline Health Care Cost Law Shouldn't Be Weakened. The Lincoln Star wrote an editorial in January Health Care Cost Cap Is In Danger Again. The Lincoln Star wrote another editorial captioned Rigged In The Lobby, Paid By The Public. Now I think that these editorials are an example of the general perception that people have around the state about what LB 378 does. I, for one, think that that general perception is correct, that LB 378 effectively removes any opportunity at the state level or at the local level to effectively control health care costs. Now I think Senator Newell has done us a service by bringing us an amendment which would rehabilitate LB 378 to a certain extent and make the damage done to the existing system not quite so