

SENATOR SCHMIT: Senator Johnson, visiting with some of the providers of health care in the last ninety days when we discussed the various methods of cost containment, time after time I was reminded by these providers that they are, as Senator Warner has pointed out, picking up some of the costs of the indigent care. Some of the people in the local counties have indicated to me that they feel that one of the objections to the bill is that it is impossible to scrutinize those who ask for care as closely at the state level as it is at the county level. The question then I have is basically first of all, it is a two part question, have a substantial number of people been taken care of by the local health care providers and then, number two, if that has been the case in the past and your bill becomes law, will we take care of those and will health care providers not have that responsibility?

SENATOR V. JOHNSON: The first question is have a number of indigent persons been taken care of by local health care providers, and by that you really mean hospitals in particular.

SENATOR SCHMIT: That is right.

SENATOR V. JOHNSON: The answer to that question is in my opinion, no, that many if not most Nebraska hospitals do not provide indigent care. The major indigent care providers in Omaha are the University Hospital and St. Joseph Hospital, both of which are teaching hospitals and they do use indigent care for the purpose of providing some teaching to their young students. Now, a number of hospitals, Senator Schmit, write off care costs. In other words, what happens, they treat somebody and somebody ends up not being able to pay all or part of the bill and so over a period of several years they literally end up writing that off. They like to call that kind of writeoff indigent care but that truly is not indigent care in the sense that there is not an allowance made in advance for a person coming in who demonstrates his poverty and gets the services. Now what does 522 do in that area? 522 simply picks up the poor relief statute, the pauper statutes that we had in our books since 1867, since statehood literally and it uses the ancient standard that has been utilized by county government for years to provide in the most recent year \$2 million worth of indigent services, in the most recent year \$2 million worth of indigent care services. Because 522 doesn't alter one iota the old pauper standard there is no reason why the State of Nebraska cannot confine its cost to the same \$2 million. Now it could be that the State of Nebraska would ultimately be sued just as the county now can be sued and the court would say, well, the way you are applying