

2.22 million. The bulk of that has been arrived at over a period of time is what of the cost within the operation of the hospital could be contributed to educational cost, but the other factors in that, also in which is a larger figure, is the amount that would be reimbursement for indigent care from the state General Fund. So there has been a, historically, very minor portion of the cost of the operation of the hospital has been attributable to General Fund. Under the proposal here that relationship does not change. The other thing as to the feasibility, the feasibility of the project is based upon an analysis of what can be anticipated in the general growth and cost of institutions, provide medical care in the Douglas County area. The projections that are used to...could anticipate is in the vicinity of a 5 percent per year. The debt service or the cost for this operation of the facility is expected to be about 1.5 percent of the 5 percent or 3.5 percent would be general increases in cost, 1.5 percent of that five would be for the debt service over the period of the bonds of 20 years. A couple of other things I think it is important to keep in mind also, while we talk about this being a Douglas County or in Omaha located facility, something like 48 percent of the patients who are provided medical care or assistance there is, in fact, from areas outside of Douglas County or in the rest of the area of the State of Nebraska. So it is truly a statewide facility and not one that is providing primarily only medical training as well as medical assistance to residents of that area. I am convinced that the proposal that is outlined is one that should proceed. The Med Center has done a number of things in recent years to keep costs in line which I think are significant. The Medical Center was very instrumental in some of the beginning of health maintenance organizations. They have willingly, voluntarily delicensed some of the number of beds, about 30 beds that they are authorized, but the most significant thing that to judge the future is to judge on the past.

PRESIDENT: One minute.

SENATOR WARNER: For the last five years the Medical Center has raised rates at an average of about 4.9 percent annually. At that same period, the inflation rate for goods and services purchased by hospitals has averaged 5.9 percent. So they have had an efficient operation, do have an efficient operation. The costs that have increased there have increased at a lower level than cost in other areas providing the same kind of, at least, of service and of course they have the educational component and