

this in the state. It's not a common experience in the state now. It does seem to be something that's growing in other parts of the country and in anticipation of that trend I think Director McCartney has brought us this measure. The provisions are summarized in your committee bill book. If I had to identify them, I would say basically they are rather like the HMO provisions and it makes the Department of Insurance the ultimate regulator. Got to make your case to them, prove your net equity, maintain your net equity, a requirement of \$50,000. In the event you don't meet these standards, then it's possible to have a cease and desist order by the department. You've got to establish a complaint system inside your organization. You have to make sure that you are subject to the unfair competition in trade practices statute if in some cases there is deception. You can take a look at that summary then of the bill's provisions that appear in the bill book. If I have to characterize them generally, they are the HMO statutes tailored to the Limited Prepaid Health Organization situation. They provide the same basic oversight for complaints, for consumer problems, for oversight by the state to see that these organizations are sufficiently capitalized and well run. One additional point, there is no guarantee fund for one of these organizations should they go bankrupt. This is not a member of one of our health, life, property or casualty generally...guarantee funds, they're on their own. It's a coming phenomenon. Probably going to hit Nebraska with this. We'll be ready for the rise of Prepaid Limited Health Service Organizations. I would be happy to answer any questions and I move for the advancement of the bill.

PRESIDENT: The question is the advancement of the bill. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 320.

PRESIDENT: LB 320 is advanced. LB 326.

CLERK: LB 326, Mr. President, introduced by Senators Landis and Weising. (Read title.) The bill was introduced on January 11, referred to the Banking Committee, advanced to General File. I do have committee amendments pending by the Banking Committee, Mr. President.