

SENATOR BAACK: Yes, Mr. President and members, I will try and give you a short synopsis of what LB 429 does. First of all, I'd like to, you know, just give a few brief comments on the certificate of need process. I think it was stated earlier that the certificate of need law in Nebraska has not been significantly changed, I believe since 1981, when such programs were in effect and they were required by federal law. Since 1983 the federal funding and the requirements were terminated for certificate of need and since that time 14 states have totally repealed their CON laws and many of the other states have changed their CON laws, raising the thresholds and raising the trigger amounts for the certificate of need process. And I think one thing to remember is, is that in the 14 states that have totally repealed their CON laws, the information that I have and the statistics that I have seen do not show that the costs have increased significantly to the consumers in those states. Now to 429 and what it exactly does. I think I have about 10 different points that I'm going to make on the major changes that are made. First of all, the capital expenditure amount that would trigger the certificate of need review as we amended it in the committee amendments would raise from the current level of \$577,240 to 1.2 million. Most of these changes that we're making in the thresholds were based on a report issued by the Federal Trade Commission that said that one of the ways that states should look at raising their thresholds is to approximately double those thresholds, and these figures are fairly close to that. Even by changing this to 1.2 million we still have nine states that have the higher thresholds yet than this, and we also still also, of course, have the 14 states who have totally repealed their CON laws. The second change is the annual operating cost involved with the new service which would trigger review, would go from \$288,620, those figures seem rather odd because they are very...they are not nice round figures and that's because they are index for the inflation factor and that is why those figures are in there. The new triggers that we're putting in also have this inflation factor in them. This new one for the annual operating cost would go from 288,000 to 550,000. And there is also a change in this so that the clarification for the operating cost for this new service and you must show that this is directly related to the offering of a new...a specific new institutional health service. You've got to show specifically that it's connected to that. The third change is the capital expenditure that would trigger review for a new service or substantially change a service. In