

greater expense of health care costs in the State of Nebraska. We have got to recognize how serious a problem this is. We are talking about big money, big increases, and we have got to get a handle on it. In addition, another handout I have talks about on a nationwide basis how revenue rich states are flushed now but the future is in question, and this is an article by Neil Pierce (phonetic), and it talks about the two big concerns of states across the country for future budget impacts are prisons and medical costs, and isn't that kind of ironic because right here in Nebraska we are looking at some major additional expenditures for prisons and, obviously, as I just went through, we are looking at major expenditures on medical costs. These increases are dramatic and they are eating up, not just Nebraska, but around the country, and everybody I think everywhere needs to try and get a handle on this problem before it takes away our ability to fund other items, other priorities, other needs as we continue to have the escalation in health care costs. Another handout I sent out earlier, a day or two ago, talks about rationing the poor's health care. Obviously, there is talk in Oregon and elsewhere about rationing health care and we may get to that point because of the fact that we have this runaway cost of health care. Really, the better course, again, listed in this editorial out of Health Week is that we should, and I quote, "If the issue at hand is cost containment, then there are well known policies that could be adopted to eliminate much of the waste, duplication, and inefficiency in the health system. Let us adopt them, no matter what special interests are curbed." Unfortunately, it is very difficult to curb those special interests. We are finding it very difficult today to try and craft a certificate of need law that meets the needs of the public, and unless we do that, we have far worse things that we are going to be facing as we talk about the idea of rationing health care for our poor in this state and elsewhere around the country. The Medicaid increases that I went through earlier are listed in another chart I have and, again, \$54 million over the next two years for Medicaid. Right now we are spending close to \$100 million in General Funds for Medicaid, so we are talking about a significant, significant increase in Medicaid expenditures, and I also think that on the health insurance side, the sort of increase the state employees are experiencing that I mentioned is duplicated by employers across the State of Nebraska. It is not the fault of the health insurance industry. They are not to blame. They are passing on the costs that are having to be paid for by them, the increases and expenses and the greater utilization are forcing employers across the state