

of this bill and suggest that it's good legislation and good for the state to advance it.

**SPEAKER BAACK:** Thank you, Senator Wesely. Senator Rasmussen.

**SENATOR RASMUSSEN:** Yes, thanks, Mr. Speaker. I would like to explain a little bit more about what we hope to accomplish through the demonstration projects and some of the basic concepts of the bill. There are two components that we want to look at in the demonstration projects and one is to try out the billing system and as we talked about earlier, what we're proposing here is to look at the use of Medicaid monies as a way to help provide some more financial support. We have already been providing services for children between zero and three in terms of education and related services and what we're talking about here is looking at those children who are Medicaid eligible that are receiving those services and using Medicaid monies or taking some federal dollars to match with the money that we're already investing in these services for our young children to free up some of our state monies with the federal dollars and use some of those dollars for some new kinds of concepts like service coordination and family focus programming. It is...we know that there is somewhere around 35 percent of all of our children in the age group are Medicaid eligible and that a very conservative estimate is that 15 percent of the children who are in special education are Medicaid eligible. In Omaha public schools alone there are 50 to 60 percent of the children who are in special education that are on the lunch program suggesting that the number of Medicaid eligible children is much higher than 15 percent and that was, however, the basis of some of the fiscal numbers in the original 701 fiscal note. So one of the things we hope to do is to instead of having just guesses about who would be eligible for Medicaid funding as well as how much we might be able to bring into the state in order to redirect money for some other kinds of approaches, the demonstration projects should give us some more precise idea of the numbers of children that are Medicaid eligible and what we might hope to get through some funding this way. The second thing that we ought to do through this billing system is to work out some of the precise methods for doing the billing system. The second part of the demonstration project is to try out referral and service coordination services. For the last four years the interagency council, which is made up of representatives from a variety of agencies in the state, have been working very, very hard to come up with a lot of ideas