

September 30, 1992 LB 1

SENATOR CONWAY: Senator Wesely.

SENATOR BEUTLER: Senator Wesely, could you remind us with regard to the Medicaid aspects at least what precipitated this special session and this crisis, that is, describe the change that the federal government made and specifically roughly what dollar amount of additional Medicaid expense this caused the State of Nebraska to bear.

SENATOR WESELY: The Medicaid cost crisis which probably did precipitate this special session has its root in a number of areas. First off, we've had a change in the funding formula and the federal government dropped from about a 64 percent match under Medicaid to about a 61.32 match and that accounted for about \$14 million in additional state expenditure. And in addition, we are adding something like a thousand-some, 1,400 individuals a month are being added to the Medicaid rolls.

SENATOR BEUTLER: Okay. So the federal change itself was in the neighborhood of 14 million or so.

SENATOR WESELY: Fourteen million. And then the total Medicaid shortfall is closer to 50-plus million though because of other factors.

SENATOR BEUTLER: Okay. And in the bill that was killed in committee this special session which sought to reduce Medicaid expenditures was in the neighborhood of \$6 million, is that correct?

SENATOR WESELY: I think \$3 million, about a savings of \$3 million is what we anticipated on that bill.

SENATOR BEUTLER: Three million?

SENATOR WESELY: Yes.

SENATOR BEUTLER: Okay. So as I understand it so far in this special session with regard to the item that is the cause of the whole matter, and I recognize that the cause of the special session has to be weighed against all other interests, too, but basically what we need to address is the Medicaid problem. But here we are in a special session with at least a \$14 million problem caused by the federal government. We killed the bill