

SENATOR WESELY: Thank you, Mr. Speaker and members. I do believe a summary, a one-page summary is on your desk. This issue deals with the certificate of need, which is usually a very controversial issue. There was a bill, LB 497, that had advanced from committee last year that would have fairly significantly changed the certificate of need process and opened up the process quite a bit. There were very strong feelings on both sides of that issue. And since that time there have been discussions between hospitals, nursing homes, the Health Department, and myself, and the Governor's office and others about what exactly should be done or not done under certificate of need. What is proposed here is a very limited expansion of what is exempted from a certificate of need review. And this current review process covers a wide range of facility purchases and other questions, but has a threshold of \$1.4 million typically. What we are proposing here is to raise that 1.4 million dollar figure to \$3 million for three specific purposes, residential and domiciliary facilities and for physician clinics. The reason we're proposing this, first off, it still retains for more expensive projects of over 3 million to be reviewed in this area. But specifically what's happening is, we are looking at moving toward managed care and long-term care, and the nursing home facilities would like the flexibility to be able to move out of nursing home services and into the lower cost, lower medical intervention of a residential or domiciliary facility. And currently, any private citizen can construct these at their discretion. But a nursing home would have to go through a review. So the feeling was if we want to encourage movement toward lower cost long-term care, that allowing a little more flexibility in this area would be wise. Similarly, as we see more out-patient services, currently physician clinics, anyone, any physician or any individual can build them without any review. But a hospital, should they choose to do it, likewise would be reviewed, and the inequity of that was of concern. So the feeling was that we should allow, in that area as well, a level playing field. And that's what's proposed under this language. This is agreed to by the Health Department, the hospitals, and the nursing home associations in this state. I also include in this the Medicaid, False Medicaid Claims Act, which is LB 1154. That bill was amended and advanced unanimously by the committee and allows greater authority to the Department of Social Services to prosecute individuals who make false claims. These are primarily...these are providers of services who abuse the Medicaid system, and