

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

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LR 29

to the...LR 29.

CLERK: Madam President, LR 29 was a resolution originally introduced by Senators Jensen, Wickersham, and Wehrbein. (Read brief summary of resolution.) Pursuant to the resolution's introduction, the Speaker referred the bill to Reference, who in turn referred the resolution to Health and Human Services for purposes of conducting a public hearing. The committee reported the resolution back to the Legislature. Senator Jensen, I believe there are Health and Human Services Committee amendments pending, Senator.

SENATOR CROSBY: Senator Jensen, to open on your resolution.

SENATOR JENSEN: Thank you, Madam President, members of the body. LR 29 is a resolution to petition the Congress and the President of the United States to prohibit federal recruitment of state tobacco settlement proceeds. As you know, Nebraska was awarded approximately \$1.16 billion through the tobacco settlement reached November 23rd, 1998, between 46 states and the tobacco industry. Court approval of the Nebraska consent decree was obtained on December 20th, 1998 and became final on January 20th of this year, 1999. The first settlement payment to Nebraska will be made once enough states make up 80 percent of the total settlement as states reach specific finality. Last year, as you know, LB 1070...through LB 1070 the Legislature adopted the Nebraska Health Care Trust Fund Act and provided that all tobacco settlement proceeds to go into a Tobacco Settlement Trust Fund to be used for public health related purposes. The Clinton administration has indicated it intends to claim part of the states' tobacco settlement proceeds as reimbursement for its share of Medicaid expenses for treating smoking-related illnesses. On February 22nd of this year, President Clinton told state governors, however, that he would consider accepting a waiver of federal government's reimbursement claims if states provide guarantees that the money will be spent, at least in general terms, on health related purposes. That's what we have in LB 1070. It has been reported that the U.S. Department of Health and Human Services has temporarily suspended its intention to take a federal Medicaid match from state tobacco settlement funds. But without an outright prohibition in federal law, Nebraska funds are still