

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

May 4, 2005

LB 422

SENATOR D. PEDERSON: Thank you.

SENATOR CUDABACK: Senator Chambers, your light is next if you wish to continue.

SENATOR CHAMBERS: Thank you. Senator Pederson, how was the state made aware that these rates were increased? Were the covered employees notified? Was DAS notified? Or just whom received the notice from the insurance carrier that these rates are going to be increased?

SENATOR D. PEDERSON: It's my understanding that what happened in this case, there was a negotiation for the various employees as far as establishing various things, including health insurance, and that based upon the negotiations that took place concerning that, it was determined by the Fiscal Office that there would be an appropriate increase adjustment necessary.

SENATOR CHAMBERS: Now, I see two things here--a negotiation between the state and the employees as to what they would receive. Is that true?

SENATOR D. PEDERSON: Yes. That's correct.

SENATOR CHAMBERS: And then that which was negotiated on and agreed to was this insurance coverage. At some...

SENATOR D. PEDERSON: That would be...oh, I'm sorry.

SENATOR CHAMBERS: At some other location between other parties, the insurance company talked about the increased rates. Is that true?

SENATOR D. PEDERSON: These are based upon bids, as I understand it. And the bid that was accepted was then adjusted by the Fiscal Office to fit into the appropriate request.

SENATOR CHAMBERS: I think I understand it now. And I want to thank you, Senator Pederson, and the staff.