

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT (UPDATED)
LB867

Hearing Date: Friday January 23, 2026
Committee On: Health and Human Services
Introducer: Health and Human Services
One Liner: Change and eliminate provisions relating to programs and services administered by the Department of Health and Human Services

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 4 Senators Hardin, Ballard, Hansen, Meyer, G.
Nay:
Absent:
Present Not Voting: 3 Senators Fredrickson, Quick, Riepe

Testimony:

Proponents:
Senator Brian Hardin
Nicole Barrett

Representing:
Opening Presenter
DHHS

Opponents:
Nick Halbur
Cindy Kadavy

Representing:
self
Nebraska Health Care Association

Neutral:
Jina Ragland

Representing:
AARP Nebraska

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB867 as introduced has three major thrusts. First, it eliminates the Medicaid spousal asset protection framework (sections 68-921 through 68-925), which governs how assets are treated when one spouse seeks institutional Medicaid — removing the special carve-outs those provisions create throughout other statutes as well. Second, it reorganizes the Department of Health and Human Services (DHHS) by separating aging services out of the developmental disabilities division and moving them into the Medicaid and Long-Term Care division, reflecting that aging is more logically aligned with long-term care administration than with developmental disabilities. Third, it conducts statutory housekeeping — eliminating obsolete nurse compact provisions, the Maternal and Child Health Work Fund, clarifying that healthcare background checks apply only to initial licenses, and improving the bridge to independence eligibility standard.

SECTION BY SECTION SUMMARY



Sections 1 & 2: Amends §§28-705 and 28-706 to remove references to §68-922, which is outright repealed.

Section 3: Amends the special needs trust statute, §30-38,113, to explicitly prohibit transfer penalties for any individual who establishes or funds an individual account in a pooled special needs trust, regardless of age. The current law protects funding a special needs trust for a child with disabilities without a transfer penalty, but does not extend the same explicit protection to adults using pooled trusts. This change closes that gap and ensures consistent treatment across age groups.

Section 4: Amends §38-131 to direct that the criminal background check and fingerprinting requirement under the Uniform Credentialing Act applies to all applicants for a license, not just to initial applicants.

Section 5: Amends §43-2624, under which DHHS is required to award grants up to \$10,000 to persons, organizations, or schools to start or improve child care programs. Grants are currently capped at once per three-year period per recipient, and cannot go to grantees who discriminate against children with disabilities or those funded by state or federal dollars. This change removes the cap provided the department uses available federal funds allowed for such grants.

Section 6: Amends §43-3342.04 which requires the Title IV-D Division to establish a Customer Service Unit in Nebraska with specific staffing and telephone system requirements for handling child support inquiries. This bill strikes the labor force requirements for these service units while retaining the requirement that the physical location shall be in Nebraska.

Section 7: Amends §43-4504 of the bridge to independence program to make two changes to eligibility requirements. First, it tightens the criteria for young adults adjudicated under subdivision (3)(a) of §43-247 by adding specific qualifying conditions. Under current law, adjudication alone is sufficient for eligibility, but the proposed bill additionally requires that the young adult was either in out-of-home placement or discharged to independent living upon reaching eligibility age, or had a qualifying guardianship or adoption assistance agreement in effect before age sixteen. Second, the bill adds the phrase "or the age of majority under relevant tribal law" to the placement reauthorization window condition, ensuring that tribal law age equivalency is applied consistently in alignment with language already present elsewhere in the statute.

Sections 8, 9 & 10: Amends §68-150, §68-716, and §68-916 which address subrogation and assignment of medical support rights. These sections establish the county's and DHHS's subrogation and assignment rights when Medicaid or general assistance applicants have third-party claims for medical costs. As a harmonizing change, LB867 removes cross-references to sections 68-921 through 68-925, the spousal asset protection provisions being outright repealed in the bill. The subrogation and assignment rights themselves are unchanged.

Section 11: Amends §68-919, the estate recovery statute, to eliminate a reference to section 68-923, the spousal asset protection provision being outright repealed by this bill. This clarification ensures that estate recovery authority is not diminished by the spousal protection rules during the transition period before those rules are fully repealed. The substantive estate recovery framework is otherwise unchanged.

Sections 12 & 13: Amends §68-1006 and §68-1007. The amount of assistance to the aged, blind, or disabled is currently based on individual need and circumstances, with certain Social Security benefit accumulations disregarded when determining need. DHHS is required to consider all income and resources when determining need, with specific income disregards for blind individuals and those over 65 or permanently disabled, including disregarding the first \$85 per month of earned income plus half of earned income above that amount for blind individuals, and honoring income disregards in effect as of January 1, 1972, for those over 65 or permanently disabled. These sections are amended



to strike the requirement for payments to be made by state warrant directly to each recipient. Additionally, it strikes the language that when DHHS determines whether someone age 65 or older or someone who is permanently and totally disabled qualifies for assistance, it must ignore a portion of their earned income when doing the math. Specifically, it must ignore at least as much earned income as was being ignored under federal Medicaid rules back on January 1, 1972. In other words, the law locks in a minimum income protection level that was established over 50 years ago — the state cannot count more of a person's earnings against them than federal law allowed at that time. The practical effect is that these individuals get to keep a baseline amount of their earnings without it reducing their eligibility for assistance.

Section 14: Amends §68-1509 to harmonize with the repeal of section 68-922.

Sections 15 & 16: Amends §71-2226 and §71-7450 which authorize the commodity supplemental food program and establish the wholesale drug distributor license fee structure, including a one-time \$3.7 million transfer to the General Fund to have been completed by June 30, 2018, and authorization to use fee revenue for the prescription drug monitoring program. Section 15 strikes “women, infants, and children” from the language which leaves low-income, vulnerable, elderly Nebraskans as the sole identified beneficiaries. Under section 16, license fees collected from wholesale drug distributors must be deposited with the State Treasurer into the Health and Human Services Cash Fund and may only be spent on wholesale drug distributor licensing activities or the prescription drug monitoring program. Obsolete transfer language is also struck.

Section 17: Amends §81-3116 by striking the requirement that the western, central, and northern service areas shall be aligned with district courts so as to allow DHHS to delineate service areas as appropriate.

Section 18: Repealer

Section 19: Outright repeal of: Sections 68-921, 68-922, 68-923, 68-924, 68-925, 68-1008, 71-1795, 71-1795.02, 23 71-2201, 71-2202, 71-2203, 71-2204, 71-2205, 71-2207, and 71-2208, Reissue Revised Statutes of Nebraska.

Explanation of amendments:

The Committee considered and adopted a white copy committee amendment. The Standing Committee Amendment, AM 2270, includes LB 867 as amended and incorporates LB845 as amended, LB 733 as amended, and also LB 1144 and LB 1013.

LB 867 – Sections 1, 2, 3, 4, 6, 9, and 10 of AM 2270.

LB 867 amends §28-705 and §28-706 to eliminate references to §68-922 which allowed the healthy spouse of an institutionalized Medicaid applicant to formally designate certain assets and income for their own use. LB867 amends §30-38,113 to explicitly prohibit transfer penalties for any individual who establishes or funds an individual account in a pooled special needs trust, regardless of age. Prior law extended this protection only to trusts funded on behalf of a child with disabilities. This change ensures consistent treatment across age groups. LB867 amends §38-131 to clarify that the criminal background check and fingerprinting requirement under the Uniform Credentialing Act applies to all license applicants, not just to initial applicants. LB867 amends §43-3342.04 to remove the requirement that the Title IV-D Customer Service Unit generate new hires equal to at least one-fourth of one percent of the local labor



force, while retaining the requirement that the unit remain physically located in Nebraska. LB867 amends §68-716 and §68-916 to remove cross-references to the spousal asset protection provisions in §§68-921 through 68-925, which are outright repealed in the bill. The underlying subrogation and assignment rights of the county and DHHS with respect to third-party medical cost claims are otherwise unchanged.

LB 845 – Sections 12 through 28 of AM 2270

LB 845 was introduced by the Health and Human Services Committee. As amended, this bill combines two existing advisory groups—the Alzheimer’s Disease and Other Dementia Advisory Council and the Division of Medicaid and Long-Term Care Advisory Committee on Aging—into a single new group called the Aging, Alzheimer’s, and Dementia Advisory Council which shall consist of seventeen voting members. The requirements about who serves on the council are changed to include an individual or advocate with experience or expertise in aging and special populations. A dedicated fund for the group’s work is created.

LB845 had a public hearing on January 23, 2026.

Testifiers on LB845:

Proponents:

Senator Brian Hardin, Opening Presenter

Tony Green, DHHS

Randy Jones, NE4a, Nebraska Area Agencies on Aging

Traci Lichti, Alzheimer's Disease and Other Dementia Advisory Council

Jina Ragland, AARP Nebraska

Opponents:

Chloe Fowler, Nebraska Childrens Commission

Monika Gross, Foster Care Review Office, Alternative Response Advisory Committee

Alex DeGarmo, Alzheimer's Association

Corrie Kielty, Nebraska Court Appointed Special Advocate Association CASA

Neutral:

Jennifer Carter, Inspector General of Nebraska Child Welfare

Committee vote to attach LB845:

Yes: 7 Hardin, Ballard, Fredrickson, Hansen, Meyer, G., Quick, Riepe;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 733 – Sections 5, 11, 23, and 27 of AM 2270

LB 733 was introduced by Senator Riepe. As amended, this bill changes the name of the Division of Developmental Disabilities of DHHS to the Division of Disability and Aging of DHHS.

LB 733 had a public hearing on January 21,2026.

Testifiers on LB733:

Proponents:



Senator Merv Riepe, Opening Presenter
Tony Green, DHHS, Director, Div. of Developmental Disabilities
Alana Schriver, NASP, Nebraska Association of Service Providers
Kristen Larsen, Nebraska Council on Developmental Disabilities

Opponents: None

Neutral: None

Committee vote to attach LB733:

Yes: 7 Hardin, Ballard, Fredrickson, Hansen, Meyer, G., Quick, Riepe;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 1144 – Sections 7 and 8 of AM 2270.

LB 1144 was introduced by Senator Hardin. This bill amends Medicaid statutes to broaden the definition of a “health plan” and establish clearer requirements for claim response and denial procedures. The bill expands the definition of “health plan” to include service benefit plans, managed care organizations, pharmacy benefit managers, and any other entity legally responsible—by law, contract, or agreement—for payment of a health care item or service claim. The bill also requires any entity issuing a health plan to respond to a request from DHHS regarding a claim for payment if the claim relates to services provided within the preceding three years. The bill prohibits a health plan from denying a claim submitted by DHHS solely due to the date of submission, the type or format of the claim form, or improper documentation, provided that DHHS submits the claim within three years of the service date and initiates action within six years of claim submission. Health plans must provide requested information within thirty days of a DHHS request, absent good cause for delay, and requests for coverage information must identify the individual at issue.

LB 1144 had a public hearing on February 11, 2026.

Testifiers on LB1144:

Proponents:

Senator Brian Hardin, Opening Presenter

Drew Gonshorowski, Department of Health and Human Services

Opponents: None

Neutral: None

Committee vote to attach LB1144:

Yes: 7 Hardin, Ballard, Fredrickson, Hansen, Meyer, G., Quick, Riepe;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 1013 – Section 29 of AM 2270

LB 1013 was introduced by Senator Hansen. This bill allows for flexibility by the state to use youth rehabilitation and treatment center facilities to house either boys or girls, but not both simultaneously. The DHHS institutions are: Beatrice State Developmental Center, Lincoln Regional Center, Norfolk Regional Center, and Youth Rehabilitation



and Treatment Center–Kearney. The Kearney center is normally single-sex, with other youth facilities ensuring gender separation. In emergencies like natural disasters or damage, facilities may house both genders for up to seven days with safe separation. Treatment for juveniles ordered by the court or deemed necessary must not be delayed.

Testifiers on LB1013:

Proponents:

Senator Ben Hansen, Opening Presenter

Dr. Alyssa Bish, DHHS

Opponents:

Jay Wilson, Fraternal Order of Police, President of Lodge #88

Luke Molzer, Whitehall PRTF

Rolf Holbrook, Whitehall

Alex Johnson, self

Tim Royers, Nebraska State Education Association

Tricia Jacobsen, self/NSEA Nebraska State Education Association

Lisa Irwin, self/NSEA

Katie Nungesser, Voices for Children Nebraska

Kathy Bigsby Moore, self

Billy Stock, Nebraska Association of Public Employees (NAPE/AFSCME Local 61)

Morgan Cavanaugh, self

Mariah Morgan, Whitehall PRTF

Jesse Esquivel, Whitehall

Neutral:

Monika Gross, Executive Director, Foster Care Review Office

Committee vote to attach LB1013:

Yes: 5 Hardin, Ballard, Hansen, Meyer, G., Riepe;

No: 2 Fredrickson, Quick;

Absent: 0;

Present Not Voting: 0;

Section by Section Summary of AM 2270.

Section 1 – Amends §30-38,113 to prohibit transfer penalties for any individual who establishes or funds an individual account in a pooled special needs trust, regardless of age. Prior law extended this protection only to trusts funded on behalf of a child with disabilities, leaving adults in pooled trusts without equivalent protection. All other existing special needs trust protections remain unchanged. (LB 867)

Section 2 – Amends §38-131 to clarify that the criminal background check and fingerprinting requirement under the Uniform Credentialing Act applies to all license applicants, not just to initial applicants. (LB 867)

Section 3 – Amends §43-2624 so that DHHS may use available federal funds to award grants beyond the state's allocated appropriation to individuals, community organizations, or schools to start or improve child care programs or to support staff training. (LB 867)

Section 4 – Amends §43-3342.04 by removing the workforce requirement when the Customer Service Unit is



established, it must create enough new jobs — whether filled by employees or contractors — equal to at least 0.25% of the total workforce in whatever Nebraska county or counties it is located in. (LB 867)

Section 5 – Amends §43-4413 to reflect the renaming of the Division of Disability and Aging to the Division of Developmental Disabilities, to harmonize with reorganization in this bill. (LB 733)

Section 6 – Amends §43-4504 to replace the vague eligibility trigger "upon attaining the age of eligibility" with a specific point-in-time standard, requiring that youth adjudicated under subdivision (3)(a) of §43-247 must have been in a qualifying court-ordered out-of-home placement one day prior to their 19th birthday or applicable tribal age of majority. (LB 867)

Section 7 – Amends §68-927 by changing the definition of health plan to mean any insurance policy or employer benefit plan that pays for an individual's health care costs resulting from illness, disability, injury, or a change in health condition, including managed care organizations, pharmacy benefit managers, and any other entity legally obligated to pay health care claims. (LB 1144)

Section 8 – Amends §68-928. Current law requires licensed and self-funded insurers to provide coverage information to the state upon request, without individual authorization, within 30 days. This section adds a new obligation for health plan issuers. They must respond to state claims for payment on services provided within the past three years, and cannot deny those claims solely on the basis of submission timing, form type, or missing point-of-sale documentation, provided that the state files the claim within three years of the service date and begins enforcement within six years. The 30-day response requirement and individual-specific request requirements remain unchanged. (LB 1144)

Section 9 – Amends §68-1006 by removing outdated language that directed payment be made by state warrant, given that most benefit recipient currently use a "reliacard" to receive benefits. (LB 867)

Section 10 – Amends §68-1007 such that when determining financial need for assistance to the aged, blind, or disabled, the Department of Health and Human Services considers all income and resources, minus any expenses needed to earn that income. For individuals who are blind, the first \$85 of earned income per month is ignored, along with half of any income above that. Additionally, for up to twelve months, extra income or resources needed to carry out an approved plan for achieving self-support may also be disregarded. (LB 867)

Section 11 – Amends §68-1530 to reflect the name change from the Division of Developmental Disabilities to the Division of Disability and Aging. (LB 733)

Section 12 – Amends §71-561 to include section 18 of AM 2270 as part of the Aging, Alzheimer's and Dementia Support Act. (LB 845)

Section 13 – Amends §71-563 to redefine "Council" to mean the Aging, Alzheimer's, and Dementia Advisory Council. (LB 845)

Section 14 – Amends §71-564 in order to combine two existing advisory groups—the Alzheimer's Disease and Other Dementia Advisory Council and the Division of Medicaid and Long-Term Care Advisory Committee on Aging—into a single new group called the Aging, Alzheimer's, and Dementia Advisory Council which shall consist of seventeen voting members. The requirements about who serves on the council are changed to include an individual or advocate with experience or expertise in aging and special populations, and a dedicated fund for its work is created. Additionally, the bill eliminates the Alternative Response Advisory Committee and renames the State Advisory Committee on Mental Health Services to the State Advisory Committee on Mental Health and Substance Use



Services to better reflect its responsibilities. (LB 845)

Section 15 – Amends §71-565 to reflect the role of the Aging, Alzheimer’s, and Dementia Advisory Council to examine the needs of aging individuals in addition to its work serving those with Alzheimer’s or dementia. (LB 845)

Section 16 – Amends §71-566 to add to the role of the Aging, Alzheimer, and Dementia Advisory Council to include collecting data and conducting studies on issues affecting aging individuals, coordinating efforts among state and local agencies, reviewing national research and programs on aging, and promoting the exchange of information among government and private organizations. It also encourages cooperation in developing and overseeing demonstration programs that help older adults remain active in their families and communities and reduce the need for long-term institutional care. (LB 845)

Section 17 – Amends §71-567 which requires the Aging, Alzheimer’s, and Dementia Advisory Council to create a State Alzheimer’s Plan and submit it to the Governor and Legislature. The section as amended requires that the plan must be updated every four years starting in 2028. (LB 845)

Section 18 – A new section which creates the Aging, Alzheimer’s, and Dementia Advisory Council Fund to hold federal funds, grants, and gifts for purposes allowed under the Aging, Alzheimer’s, and Dementia Support Act. Funds must follow any conditions attached to their receipt, be deposited with the State Treasurer, and may be invested by the state investment officer under state investment laws. (LB 845)

Section 19 – Amends §71-814 so that the State Advisory Committee on Mental Health Services is renamed the State Advisory Committee on Mental Health and Substance Use Services. (LB 845)

Section 20 – Amends §71-2226 to remove “women, infants, and children” from the Commodity Supplemental Food (CSF) program while leaving such benefits available to elderly persons in Nebraska who qualify. (LB 867)

Section 21 – Amends §71-7450 so that all license fees collected under the Wholesale Drug Distributor Licensing Act shall be used only for the payment of expenses related to the prescription drug monitoring program (PDMP), and also eliminates obsolete language. (LB 867)

Section 22 – Amends §81-6,122 to reflect the name change of the State Advisory Committee on Mental Health Services to State Advisory Committee on Mental Health and Substance Use Services. (LB 845)

Section 23 – Amends §81-1316 to reflect the name change from the Division of Developmental Disabilities to the Division of Disability and Aging. (LB 733)

Section 24 – Amends §81-2205 such that under the Nebraska Community Aging Services Act, "Council" means the Aging, Alzheimer’s, and Dementia Advisory Council. (LB 845)

Section 25 – Amends §81-2212 to replace the word “Committee” with the word “Council” which means the Aging, Alzheimer’s, and Dementia Advisory Council. (LB 845)

Section 26 – Amends §81-2226 to replace the word “Committee” with the word “Council” which means the Aging, Alzheimer’s, and Dementia Advisory Council. (LB 845)

Section 27 – Amends §81-3113 to reflect the name change from the Division of Developmental Disabilities to the Division of Disability and Aging as one of the five divisions of DHHS. (LB 733)



Section 28 – Amends §81-3116 by striking the requirement that the western, central, and northern service areas shall be aligned with district courts so as to allow DHHS to delineate service areas as appropriate. This section is also amended to reflect the name change from the Division of Developmental Disabilities to the Division of Disability and Aging and transfers the administration of aging services from the Division of Medicaid and Long-Term Care. (LB 867)

Section 29 – Amends §83-107.01 to designate YRTC-Kearney for boys only and YRTC-Geneva for girls only, replacing the prior standard that allowed either facility to serve boys or girls but not both simultaneously. Gender separation is required at any other facility operated as a YRTC. (LB 867)

Section 30 – Amends §83-1201 to harmonize such that sections 83-1201 to 83-1226 shall be known and may be cited as the Developmental Disabilities Services Act. (LB 867)

Section 31 – Amends §83-1204 such that "Department" shall mean the Division of Developmental Disabilities to the Division of Disability and Aging. (LB 867)

Section 32 – Amends §83-1206 such that "Director" shall mean the Director of Disability and Aging of the Division of Disability and Aging. (LB 867)

Section 33 – Repealer.

Section 34 – Outright repealer: §§68-921 to 68-925, Medicaid spousal asset protection; §68-1008, required investigation upon application to the Aged, Blind, or Disabled Waiver. (These requirements are not necessary because they are covered in federal requirements at 42 CFR 431); §§71-1795 and 71-1795.02, the original nursing compact was replaced by the current one found in §71-1795.01; §§71-2201 to 71-2208, Maternal and Child Health and Public Health Work Fund.

Brian Hardin, Chairperson

