# [LB494 LB607 LB696]

The Committee on Health and Human Services met at 1:30 p.m. on Thursday, February 17, 2011, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB494, LB696, and LB607. Senators present: Kathy Campbell, Chairperson; Mike Gloor, Vice Chairperson; Dave Bloomfield; Tanya Cook; Gwen Howard; Bob Krist; and Norm Wallman. Senators absent: None.

SENATOR GLOOR: We'll get started. This looks to be a pretty well initiated audience, but we'll walk through the process anyway. I'm Senator Mike Gloor. I'm Vice Chair of the Health and Human Services Committee. Senator Campbell is in the naughty chair. That means she's introducing bills for the Revenue Committee today, so she'll be here when she can get here. And with that, I'd ask everybody to make sure you've got your cell phones turned off or on silent mode. If you have handouts, make sure that there are enough copies, so that when you give them to the page, they can pass them out to everybody. We would ask every witness, make sure that you're signed in. Fill out a copy of this, hand it to Diane, if you would, your testimony. When you provide your testimony, please spell your name out for the record. State and spell out your name for the record. We have a light system. We'll use the light system today. Green means that you can begin. After four minutes, you'll get an amber, and then you'll get a red light which means your five minutes is up. I don't know that that will be a problem, and depending upon how time goes today, we may be able to be a little more discretionary about that. With that, let's introduce members of the committee. Senator Bloomfield, would you start, please?

SENATOR BLOOMFIELD: Dave Bloomfield, District 17 up in the northeast part of the state.

SENATOR WALLMAN: Norm Wallman, District 30, south of Lincoln, here to Kansas.

MICHELLE CHAFFEE: I'm Michelle Chaffee, legal counsel for the committee.

SENATOR HOWARD: Senator Gwen Howard, District 9 in Omaha.

SENATOR KRIST: Bob Krist. I represent District 10 in northwest Omaha and (laugh).

SENATOR GLOOR: Diane Johnson is committee clerk, and she's the one that we need to all keep happy. And with that, we'll start with LB494. Senator Nordquist, welcome to the Health and Human Services Committee.

SENATOR NORDQUIST: (Exhibits 1 and 2) Thank you, Senator Gloor and members of the committee. My name is Jeremy Nordquist, N-o-r-d-q-u-i-s-t. I represent District 7 in downtown and south Omaha. LB494 is a very simple bill. It requires the Department of

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Health and Human Services to provide timely determination of eligibility for applications for medical assistance in compliance with federal regulations. LB494 requires the department shall comply with federal regs, a copy of which I have distributed to the committee which provide guidance as to what a timely determination of eligibility is. The federal Code of Regulations states that the agency must establish standards for determining eligibility, and that these time standards may not exceed 90 days for applicants for Medicaid on the basis of disability and 45 days for all other applicants. The regs go on to say that the time standards apply from the date of the application to the date the agency mails the notice of its decision to the applicant. The regs also include unusual circumstances under which the exceptions to the time standards may be granted, such as when the agency cannot reach a decision, because the applicant or an examining physician delays or fails to take a required action. However, the agency must document these reasons for delay in the case record, and the agency must not use these time standards as a reason for delaying eligibility. So, for example, if the agency has not received proper documentation from the applicant, and it is beyond the 45-day time standard, they may not use this as a reason for denying eligibility in closing the case. I introduce this bill after hearing from healthcare providers who indicated that the determination of medical assistance eligibility, particularly, emergency Medicaid and Kids Connection was taking far longer than the 45 days time standard. At one point, the (inaudible) provider indicated that over 30 percent of its clients being assisted with Medicaid and Kids Connection application had been pending longer than 45 days, and 5 percent pending longer than 90 days. Some, but not all of the delayed cases were awaiting approval of emergency Medicaid following the birth of a child to a woman who was otherwise ineligible for Medicaid. Although labor and delivery clearly falls under the emergency medical condition designation under federal law, these claims for payment were being routed through two different programs within DHHS. First, Economic Assistance Department determined that the applicant met all other Medicaid eligibility, and then the applicant was being reviewed by the state review team under Medicaid and DHHS to determine whether or not it was actually an emergency medical condition. With the recent provider bulletin, DHHS has made an administrative change to allow the labor and delivery claims for emergency Medicaid to bypass the state review team process. I appreciate this change by the department, which I believe will help to improve the timely determination of eligibility and payment on these claims. It will also help to provide coverage to newborn children as all children born when the birth is paid for by Medicaid are automatically enrolled in Kids Connection. This will ensure that providers in hospitals can provide the care they need to children once they are born and will be compensated for this care. I have also been informed that these delays in eligibility determination are not just emergency Medicaid applicants, but also children in families applying for Medicaid and Kids Connection. I have been made aware of cases where, for example, an application would be filled out and have all the documentation provided such as photo ID, birth certificate, Social Security card, and income verification from the previous 30 days from the application date. But by the time the caseworker got the application and processed it weeks later, DHHS would send letters to the family

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requesting income for the most recent 30 days. I've even heard some of these cases that have been closed when it passes the 45-day time period. This is an example of an unnecessary burden being placed on families due to the department's substantial workload and, ultimately, children are not getting the timely care they need to be healthy. There will be a number of testifiers that follow me that will be better able to explain these challenges firsthand in their practices, although the reason I brought this bill was largely because of the emergency Medicaid and Kids Connection. After introduction, I was contacted by a number of other advocates representing Medicaid eligibility categories, indicating that timely determination is a program-wide challenge. Although DHHS indicates that 90 percent of the applications are filed within the 45-day period, I think what is particularly alarming is I handed out some data to the committee which shows that the number of applications over 45 days has grown substantially between June 2009 where they were at about 300 applications to November 2010 where there were about 800 applications a month over the 45-day time period. As ACCESSNebraska is implemented around the state, as we eliminate caseworkers and move to the administration of our public assistance programs through call centers, we must not sacrifice the quality of administration and Medicaid. The timely processing of Medicaid applications not only improves the health of Nebraskans by allowing them to seek preventative and regular care from a medical professional, but it is also critical to our healthcare economy. Providers cannot continue to care for patients without knowing whether or not they will be compensated for that care. Timely determination of Medicaid eligibility improves access to healthcare for Nebraska children and families, and it also adds predictability to the bottom line for healthcare providers. I urge you to support LB494, and I'd be happy to take any questions. [LB494]

SENATOR GLOOR: Thank you, Senator Nordquist. Senator Wallman. [LB494]

SENATOR WALLMAN: Senator Gloor, thank you. Senator Nordquist, thanks for being here. [LB494]

SENATOR NORDQUIST: Yeah. [LB494]

SENATOR WALLMAN: I look at these figures, and it doesn't make us feel very good. Do you think we have enough personnel to process these on time or? I'm going to pick your brain. [LB494]

SENATOR NORDQUIST: Well, I think that's...yeah. I certainly think that could be a challenge that we are overburdening the system as we move to ACCESSNebraska, that the actual personnel on the ground maybe is not sufficient. Yeah. [LB494]

SENATOR WALLMAN: Thank you, Senator. [LB494]

SENATOR GLOOR: Welcome, Senator Cook. Senator Howard. [LB494]

SENATOR HOWARD: Thank you. Just a couple of questions. I'm sure you've asked the department the reason for the delay. [LB494]

SENATOR NORDQUIST: Um-hum, yeah. [LB494]

SENATOR HOWARD: What did they tell you? [LB494]

SENATOR NORDQUIST: Well, on the emergency Medicaid, it sounded like it was...there was some issue...they said there were some issues that I believe of paperwork from application from the provider to the Division of Children and Families which makes the eligibility determination. They have to determine that the mother, besides citizenship, is otherwise eligible for Medicaid, and then it went to Medicaid to the State Review Team under the division of Medicaid, which determined whether or not the labor and delivery was an emergency. They've since decided that labor and delivery is always an emergency, and they're not going to take that second step (laughter) so that... [LB494]

SENATOR HOWARD: Well, I felt that way when I went through it (laugh). [LB494]

SENATOR NORDQUIST: Yeah, so that was the issue there. You know, we really haven't gotten down to the issue on, you know, it seems like some of the times that's had largely paperwork issues, people not getting all the appropriate documentation in... [LB494]

SENATOR HOWARD: They haven't sent us errors that have been done in the paperwork. It sounds like it's passing through too many hands... [LB494]

SENATOR NORDQUIST: It is, and sometimes the...and the providers behind me can talk about this, but sometimes it seems like the ball is always moving, that sometimes...this isn't from the department. It's more from providers, but that different documentation is requested at different times, and there really isn't a standard to it. [LB494]

SENATOR HOWARD: Could be a faster method of doing this. Do you know...and I could ask...our expert is here. I could ask her, but do you know if Medicaid still backdates to the date of the application? [LB494]

SENATOR NORDQUIST: That, I...yeah, sorry. I'm not sure on that. [LB494]

SENATOR HOWARD: Well, that's all right. I can...I'm sure she will know the answer. [LB494]

SENATOR GLOOR: Senator Krist. [LB494]

SENATOR KRIST: I'll wait. Thank you. [LB494]

SENATOR GLOOR: Okay. Any other questions? Thank you, Senator Nordquist. And we know you'll be here for closing. [LB494]

SENATOR NORDQUIST: Yeah, absolutely. [LB494]

SENATOR GLOOR: I have been remiss in not pointing out the help we get from our pages, Ayisha and Crystal. So, thank you both for being here also. Can I see a show of how many proponents we have? [LB494]

SENATOR KRIST: Forgot, they're going to be seniors this year, and they need a job (laughter). [LB494]

SENATOR GLOOR: And I've heard that, yes. Thank you. How many opponents? Neutral? Okay. [LB494]

ANDREA SKOLKIN: (Exhibit 3) Tall chair for a short person. Senator Gloor, members of the committee, thank you for letting me share today some of the experiences that we have incurred at OneWorld Community Health Centers. My name is Andrea Skolkin. That's S-k-o-l-k-i-n. And I am the CEO of OneWorld Community Health Centers, one of six federally qualified health centers in Nebraska. We're located in Omaha and also Plattsmouth. It's been almost one year since unborn babies lost Medicaid coverage, and women have had to apply for emergency status in order for their provider and hospital to receive payment. Since March 2010, we have provided prenatal care for almost a thousand women, an average of about 350 a month; 130 of those we have tracked over a 9-month period for their emergency Medicaid applications, and additional ones that get handed off to Creighton or other centers because of their high-risk status. During this time period, it took an average of four months and many staff hours to obtain Medicaid coverage for the delivery and for the hospital stay. We have experienced long waits for approval and payment, and a general lack of information and guidance from state staff regarding the emergency Medicaid process. Changes in state workers while working an application has resulted in us having to go back and start over on some applications. Loss of paperwork after submission, language access, and cultural respect issues have been experienced. After nine months, we are happy to say that there has been some clarification in the process. However, of the 130 applications, only 92 have been approved, and 77 of those paid, 35 pending, and 26 don't show up in the system. I think it's important to note that approval for this process, you can't even watch on-line until the state approves that they are eligible for emergency status. Of the applications, only three have been denied. We've had to redirect resources within our health centers and other health centers across the state to ensure that families get taken care of, and

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the health centers, of course, are interested to get paid. And if we are working this hard, I am sure other health centers and hospitals are working just as hard. Given the high percent of applications that are eventually approved and the laborious paperwork process and related costs, we think, ultimately, a better process is presumptive eligibility for pregnant women. However, we are thrilled to learn of the changes in the application of the process for emergency Medicaid, and that they can now be approved by caseworkers without going to the state review team. This is a huge improvement, and we hope for timely processing of applications. However, we know that caseworkers, to your point, Senator Wallman, are overworked, stretched, and also have varying levels of knowledge about the regulations and how to apply them to the applications which does cause lengthy delays, thus, the importance of LB494. It has been a nightmare of paperwork to get the system to work on behalf of moms, and the delay in eligibility determinations have negatively impacted the applicants, oftentimes resulting in the hospital turning their patients over to collections, and we know what happens in that process. Because of our expertise that we have gained over this time period, we have received calls from throughout the state, from western Nebraska, central Nebraska, to see if we could help them. Time and time again, we've gone to the N-FOCUS system, and when inquiring about an application, having to speak with a voice response call center for all Medicaid applications and getting assigned and unassigned caseworkers with no knowledge whatsoever. Additionally, as I mentioned earlier, but I do want to highlight correspondence from the state to applicants often doesn't reflect the primary language of the applicant. The situation is better for newborns, but it's still full of problems and has required additional step effort to ensure enrollment and, thus, access to care. For newborns, when families or OneWorld staff call this voice response unit, often, again, they show no record of the baby's birth. After our staff has worked diligently, eventually, they have shown up. This is an issue, because the state is then not receiving these changes in information timely, and then they can't process the applications. The issues of language access for both written and verbal communication are prevalent also for newborns, and you go through a system. I'm out of time, I see. Do you want me to stop? [LB494]

SENATOR GLOOR: Do you have much more? [LB494]

ANDREA SKOLKIN: No, just about two sentences. [LB494]

SENATOR GLOOR: Why don't you go ahead and finish up then, Andrea? [LB494]

ANDREA SKOLKIN: Okay. Often, you're prompted through this voice response center, and press 1 for Spanish, and you end up in English. And so, an individual advocating for themselves has a horrific time. In addition, the system itself is closing cases without reason. So it is wrought with problems. This is why we want to support, as the community health centers across Nebraska, LB494 to ensure that eligible moms attain their coverage for their deliveries. Again, thank you for allowing me to share our

experiences. [LB494]

SENATOR GLOOR: Thank you. [LB494]

ANDREA SKOLKIN: Um-hum, any questions? [LB494]

SENATOR GLOOR: Are there questions for Ms. Skolkin? Senator Krist. [LB494]

SENATOR KRIST: Senator Nordquist, when...during the introduction, said that the original reason that he had brought the bill forward was for emergency labor and delivery. And most of your testimony is based upon labor and delivery, as I understand it. [LB494]

ANDREA SKOLKIN: Um-hum. [LB494]

SENATOR KRIST: And if, as I understand it, his introduction...that part of it, in terms of it actually being an emergency, if that part of it has been alleviated. Have you seen that speed along the process for...has the whole process sped up based upon delivery being an emergency? [LB494]

ANDREA SKOLKIN: Senator Krist, up until last week we were experiencing long delays. We don't have enough experience now with the change. It takes a long time to determine that it was in...the prior process, it took a long time to determine that it was emergency, and that the patient was ineligible for...to go through the state review team. So I don't have current experience to share with this change in process. [LB494]

SENATOR KRIST: But the department was responsive to cutting through the chase to declare labor and delivery and emergency as far as you know? [LB494]

ANDREA SKOLKIN: The department was slow in processing and required a lot of staff advocating on behalf of the patient in order to get that determination. [LB494]

SENATOR KRIST: Okay, thank you. Thanks for your testimony. [LB494]

ANDREA SKOLKIN: Um-hum. [LB494]

SENATOR GLOOR: Senator Howard. [LB494]

SENATOR HOWARD: Thank you. Thank you, Senator Gloor. Thank you for coming down here. I can't tell you how much I admire the work you do. I've said that before, and it's just amazing, everything that you do, and the medical assistance that you provide, so that we do have healthy babies in this state. [LB494]

ANDREA SKOLKIN: Thank you, Senator. [LB494]

SENATOR HOWARD: As an alumni of Health and Human Services (laugh), I'm always hopeful that they will do better, and it's so disheartening to learn that delays continue, errors continue, and not just minor...that we would all accept just these random. But when you tell me that there are 26 cases right now that are lost they can't find, I really find that distressing. Is that kind of typical of what happens? [LB494]

ANDREA SKOLKIN: Senator Howard, members of the committee, that has been our experience, though I am very hopeful with this change that it doesn't go through so many steps that things will be better. But the delays have been enormous. First, you know, in defense of the state, this was a huge change for them, and you think about how many babies born across the state that had to go through this process, that was, you know, an enormous thing to take on by state caseworkers who probably didn't have enough knowledge, let alone their caseload to manage it. But the delays have been since March. [LB494]

SENATOR HOWARD: Well, I'm also going to ask you, I'm glad you're a hopeful person (laugh). That's really a necessary quality. But...what was I going to ask you? Do you know if they're still doing the back page to the date of application, when an application is approved? That used to be the case. [LB494]

ANDREA SKOLKIN: Senator Howard, for emergency Medicaid, the Medicaid approval goes back to the birth, so it will cover the emergency delivery for the mom. As to the children, I'm uncertain of that answer, and I would have to defer to someone with a little more knowledge. [LB494]

SENATOR HOWARD: Well, if Vivianne Chaumont is going to testify, I'm hoping that she will, that I think she would know the answer. [LB494]

ANDREA SKOLKIN: For newborns, in the process of newborns, they do go back, but just in terms of regular Medicaid for children, I'm uncertain. [LB494]

SENATOR HOWARD: Okay. Thank you. [LB494]

SENATOR GLOOR: Other questions? Seeing none, thank you. [LB494]

ANDREA SKOLKIN: Thank you. [LB494]

JAMES GODDARD: (Exhibit 4) Senator Gloor, committee members, good afternoon. My name is James Goddard. That's G-o-d-d-a-r-d. I'm a staff attorney at the Nebraska Appleseed Center for Law in the Public Interest. Nebraska Appleseed is a nonprofit, nonpartisan legal advocacy organization that works for equal justice and full opportunity

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for all Nebraskans. I'm here today to support LB494. As this committee is well aware. Medicaid is a very important program. It provides medical assistance to many low-income individuals in Nebraska. Since healthcare coverage is vital, federal and state law require that nondisabled applicants have their applications processed with reasonable promptness. That means 45 days or less, except in unusual circumstances such as client inaction, for example. However, it appears that currently, DHHS is failing to fully comply with these requirements while there does seem to be a specific problem with emergency labor and delivery applications. It's our understanding that the problem seems to be greater than that. Our understanding is that about 8 percent of all applications are delayed beyond 45 days. In fact, overall delays might be greater than 8 percent if you look at specific populations. For example, if you look at only new applicants, or if you look at only non-English speakers, the delays, in my estimation, have the potential to be quite a bit higher than 8 percent for those populations. And I think some of the testimony from Andrea Skolkin could back that up. So, while some delay could reasonably be due to client inaction or applicants who are applying on the basis of disability, it seems clear to me that the high percentage of delays is due to HHS's failure to meet its obligations. Moreover, the delays appear to have only increased with the rollout of ACCESSNebraska, Nebraska's public benefits modernization program. All of this raises some serious concerns and is precisely why LB494 is so important. Every day is vital in terms of access to healthcare. Providing healthcare coverage to those who are eligible allows them to pursue needed care before it becomes too urgent and before it becomes more expensive. Delays in eligibility determination can result in applicants foregoing needed care, placing their health in jeopardy, and leading to more expensive care if and when eligibility is confirmed. Likewise, a person who is found ineligible needs to seek alternative resources as soon as possible and potentially file an appeal. Moreover, failing to meet federal processing requirements creates serious potential for a liability for the state of Nebraska. There have been several successful claims by Medicaid applicants and many class action lawsuits are alleging processing delays including the Fourth Circuit, the First Circuit, and the D.C. Circuit. The majority of these cases have found that the law requires full compliance absent of minimum human error. So, failing to process applications is not only harmful potentially for the applicant, it can also be harmful for state coffers. LB494 recognizes these important considerations and reaffirms the requirement that HHS timely process all Medicaid applications. For these reasons, we respectfully urge this committee to advance LB494. Thank you. [LB494]

SENATOR GLOOR: Thank you. Are there questions for Mr. Goddard? I have one question. You've listed what the potential noncompliance outcomes could be as relates to the feds, but assuming this passed, what sort of accountability would the state have, or would there be on the state to be compliant? [LB494]

JAMES GODDARD: Well, Senator, it certainly creates...it would create another avenue of enforcement under state law, or a very clear one under state law. I think it also

indicates, very clearly, that the Legislature takes this seriously, and that Health and Human Services also needs to do that. So, to answer your question, it really reaffirms the need to do this in a timely way and creates another potential avenue for enforcement under state law. [LB494]

SENATOR GLOOR: Okay. Thank you. [LB494]

JAMES GODDARD: Senator Howard, I did want to speak to your question about retroactive eligibility. It is three months from the date of application, assuming during that three-month period, that person would have been found eligible, and so it does go back three months. [LB494]

SENATOR HOWARD: Good. [LB494]

JAMES GODDARD: However, I would note that most people, during...while they're waiting to find out whether they're eligible, may not be going to the doctor, because they don't know if they're going to be found eligible or not. [LB494]

SENATOR HOWARD: Okay. Thank you. [LB494]

SENATOR GLOOR: Okay. Senator Krist. [LB494]

SENATOR KRIST: Is it your understanding that the date of application...let's take a nonemergency. [LB494]

JAMES GODDARD: Okay. [LB494]

SENATOR KRIST: That the date of application is on the first interview with HHS to establish...let's say, with a special needs person. When does that eligibility start? [LB494]

JAMES GODDARD: I think the date it starts, as I understand it, Senator, would be when there's enough information in the system to begin processing the application. It's not my understanding that it's...the clock starts running from the date an interview is set up. I think it's a bit before that. However, I'm sure Health and Human Services could tell you better than I can. [LB494]

SENATOR KRIST: You're not related to THE Dr. Goddard, are you? [LB494]

JAMES GODDARD: You mean the rocket scientist? I believe distantly, yes (laughter). [LB494]

SENATOR HOWARD: Claim that (laugh). [LB494]

SENATOR KRIST: Take that claim. [LB494]

SENATOR GLOOR: Thank you for that historical perspective. [LB494]

SENATOR HOWARD: If it still operates the way it did when I worked for Health and Human Services, it goes back to the date on the application. [LB494]

JAMES GODDARD: I believe that's right, yes. [LB494]

SENATOR GLOOR: Other questions? Thank you. [LB494]

JAMES GODDARD: Thank you. [LB494]

SENATOR GLOOR: Other proponents. [LB494]

BRENDON POLT: (Exhibit 5) Good afternoon. My name is Brendon Polt. That's B-r-e-n-d-o-n P-o-I-t. I'm here representing the Nebraska Health Care Association. That is an association with a membership of over 200 nursing homes and 200 assisted-living facilities, both proprietary and nonproprietary, and the overwhelming majority of those facilities accept Medicaid residents. First of all, on behalf of our membership, we want to thank Senator Nordquist for introducing this legislation, if nothing else, to draw attention to an issue that's come to my attention numerous times through e-mails and other phone calls from our members, and that's just delay in becoming determined eligible through the Medicaid program. Now, with the nursing facility residents it's a little different than the examples that were provided by earlier testifiers, sort of a two-step process the way I see it. There was the financial determination of eligibility, and that's done...that's the subject of this bill through the local HHS office. And so they make a determination of whether the person is financially eligible. But then through contract with the area agencies on aging, the Senior Care Options program, makes a determination if someone's medical needs are at a level high enough to require nursing facility care or if an assisted living at the minimum for the Medicaid waiver program. To be eligible for an evaluation through Senior Care Options, there must be a...the person has to have applied for Medicaid for the financial eligibility determination, and that means that there's a signed application received by local office staff. Now, for whatever reason I don't know, what often happens is the client says that they've made application. Senior Care Options goes into their systems, but there is nothing on file, and we understand that to be a delay in whatever happening with the system just for that...for one example, just so that the Senior Care Options can begin to do their work. Other times what often happens is, we have a 45-day period to determine eligibility, doesn't happen within that time frame. Now, under the existing regulations, if that doesn't happen in 45 days, there's a notice of action that's sent by the local office to the nursing facility, the assisted-living facility, and the applicant that says, here's the delay; here's the reason

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why; here's what we're trying to do. Well, that document, that notice of action is often what provides an indication for the first time to the nursing facility that the person has made application and that they need to indicate to Senior Care Options that there needs to be a medical evaluation. And from the examples that I've provided attached to my testimony, is just so frequently not within 45 days, so there's a much longer delay in that notice of action or final determination of eligibility. And in the meantime, oftentimes a person is living in a nursing facility, and they're receiving care, and it can become a cash flow issue. So even though you can get payment back to that date of application, we have facilities that are reporting months and months and months and months delay, and so it's just a...it's a cash flow problem for our members. So those are e-mails that I've kind of tried to clean up. I've provided...I can certainly provide any additional information or clarification. I didn't want to be too lengthy in some of those, but that's what I received from our membership, so hopefully, that's helpful to you. [LB494]

SENATOR GLOOR: Are there questions for Mr. Polt? Senator Wallman. [LB494]

SENATOR WALLMAN: Thank you, Senator Gloor. Yeah, thanks for being here, Brandon. You're probably a member of also a national organization, are you? [LB494]

BRENDON POLT: Yes. [LB494]

SENATOR WALLMAN: Do other states have this same problem that you know of? [LB494]

BRENDON POLT: You know, I would presume so, but I better not...I haven't talked to them about that, and I haven't seen any studies, although I will look...there's a wealth of research on national organizations Web site, and I can see if there's any sort of rankings by state of this type. [LB494]

SENATOR WALLMAN: Thank you. [LB494]

SENATOR GLOOR: Other questions? Thank you. [LB494]

BRENDON POLT: Thank you. [LB494]

SENATOR GLOOR: Other proponents. [LB494]

JIM CUNNINGHAM: Senator Gloor and members of the committee, good afternoon. For the record, my name is Jim Cunningham, and that's spelled C-u-n-n-i-n-g-h-a-m. I'm the executive director of the Nebraska Catholic Bishops Conference, representing the mutual interests and concerns of the Archdiocese of Omaha and the dioceses of Lincoln and Grand Island. Our organization was among those individuals and groups that were quite chagrined by the reversal in policy that resulted in denial of medical assistance

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coverage for prenatal care for the unborn children, who, through no fault of their own, are the unborn children of impoverished women who are undocumented. We advocated for the restoration of that policy, albeit unsuccessfully, but we will continue to advocate for that position. The one quite modest mediating factor during that public policy debate was the assurance that, from the perspective of labor and delivery being treated as emergency medical service and, therefore being covered. To whatever extent, and I know you've heard discussion already today about improvement, which is an encouraging thing, but to whatever extent that that problem of delayed payment or lack of payment continues to persist, we certainly encourage the committee to look at LB494 as being a way to address that and would hope that you would advance the bill to General File. Thank you. [LB494]

SENATOR GLOOR: Are there questions for Mr. Cunningham? Seeing none, thank you, Jim. [LB494]

JIM CUNNINGHAM: Great. Thank you. [LB494]

SENATOR GLOOR: Other proponents? Are there opponents of the bill that wish to be heard? Anyone who would like to provide testimony in a neutral capacity? Good afternoon, Vivianne. [LB494]

VIVIANNE CHAUMONT: Good afternoon. My name is Vivianne Chaumont, V-i-v-i-a-n-n-e C-h-a-u-m-o-n-t. Good afternoon to all of you today. I wasn't planning on testifying. I'm the director of the Division of Medicaid and Long-term Care, but since several of you used my name in vain, thinking that I (laughter) might know something about these things, I thought I better come up and answer, lest I look like I was avoiding you. (Laughter) [LB494]

SENATOR GLOOR: I didn't think...I thought it was reverential, not in vain so. [LB494]

VIVIANNE CHAUMONT: Obviously, I'm more paranoid than I need to be then (laugh), but I'd be happy to answer your questions. [LB494]

SENATOR GLOOR: Senator Krist. [LB494]

SENATOR KRIST: Thank you. Vivianne, thank you. [LB494]

VIVIANNE CHAUMONT: Sure. [LB494]

SENATOR KRIST: Having been part of public health programs and time in my service in the military, sometimes things don't move along as fast as we want them to. Is the reason for the delay in processing or making people eligible where the eligibility exists? Does it come from the different silos, if you will, or the vertical responsibilities where it

would go from one place to another to another within HHS? [LB494]

VIVIANNE CHAUMONT: Depending on what we're talking about, let's start with the labor-delivery, because that's really the only place where it goes to different silos. Just to explain. The Division of Children and Family Services processes applications for public assistance and medical assistance including Medicaid and CHIP. The state review team is the team in my division that looks at disability determinations, and it also looks at emergency medical for any emergency medical where there's an undocumented person. We have to make sure that it was an emergency, and that the only claim that we're paying is for the actual emergency. When someone is stabilized, not an emergency anymore, so we don't pay. We never didn't think that labor and delivery was not an emergency. I've had three kids, so I know that labor and delivery is an emergency, but not every single time, because I could be, you know, eight months pregnant, eight-and-a-half months pregnant, and thinking, you know, I want to go on a family vacation. Now, this isn't what's going on, but it isn't always it can be planned and this and that. We were under the understanding that what happens then with the labor and delivery, it goes to the caseworker, because the person has to be otherwise eligible. So you calculate eligibility. If the person was not an illegal, would they be eligible? It's probably one of my children. I apologize. I forgot to turn my phone off (laughter). [LB494]

SENATOR GLOOR: There goes the reverence. [LB494]

VIVIANNE CHAUMONT: Right. I am so sorry. So, anyway, so they have to determine eligibility, and then it used to come over to the state review team to look at the delivery records to make sure...thank you. [LB494]

SENATOR HOWARD: Do you want your purse? [LB494]

VIVIANNE CHAUMONT: No, no (laugh). Actually, I think that was Jeremiah's phone ringing, not mine. So, (laughter)... [LB494]

SENATOR HOWARD: Good (laugh). [LB494]

SENATOR KRIST: Let the record show (laughter). [LB494]

VIVIANNE CHAUMONT: Anyway, so what happens is, then it went over and the determination of eligibility was...and we had, after a hearing that, I believe, Senator Campbell conducted at some point about something...oh, about...during the summer, people came in and testified, and we actually got records from practice, and went through all of the ones that they said hadn't been paid and were pending. The large majority of the reason for nonpayment was that the person hadn't applied. Medicaid cannot process an application that it doesn't have. And so, looking at...we couldn't find

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them on...they didn't have...the time lapse between the eligibility worker, and what was happening at the state review team looking at that, that really was going...it was going quickly. We didn't show any...within the week, they were being approved for payment. But after...I'll confess a letter from Senator Nordquist saying, is there any other way to do it? We learned that, in fact, it wasn't required by federal law that we do it in that particular way for labor and delivery, so we changed it as soon as we made that determination. And I think the issue is still going to be getting people to apply and then processing that application, but I don't think it's necessarily the silo approach that you were taking...that you asked me about, sorry. [LB494]

SENATOR KRIST: So, labor and delivery emergency care, that's not an issue, because of the way you've changed the process? [LB494]

VIVIANNE CHAUMONT: There's still an issue of processing that application for the financial eligibility part in a timely fashion, and we can follow up with that. [LB494]

SENATOR KRIST: And then when...if I could, just one more? [LB494]

SENATOR GLOOR: Certainly. [LB494]

SENATOR KRIST: When does a person get into the computer? When can we start tracking the eligibility? I mean, the important thing, I think, in my experience with the federal side was, I'd go in and talk to somebody and fill out all the paperwork, and we couldn't track it, because it was always on that desk or that person or that place. What seemed to fix a lot of things on the federal level was, as soon as you walked in the door, you were entered in the computer, and the data trail started, and then compliance checks were...how long did it take us once we saw you to get to where you were? Is that part of the problem? Is that part of the fix? [LB494]

VIVIANNE CHAUMONT: That might be an issue. I'm not familiar with that, and I'm not familiar with the nitty-gritty of when children and family...staff put you into the computer. But the 45 days for Medicaid starts to run from the day you sign the application and deliver it to the department. [LB494]

SENATOR KRIST: Obviously, I have no power to task you, but I'd love to find out from your folks if it's possible to put the person in the computer as soon as possible, so that the tracking process can start, because then I think the providers of the care are going to be able to communicate much better with the people who are making the process and putting it in the system. [LB494]

VIVIANNE CHAUMONT: I will look into that, be happy to look into that, um-hum. [LB494]

SENATOR KRIST: Thank you, ma'am. [LB494]

SENATOR GLOOR: Yes, Senator Howard. [LB494]

SENATOR HOWARD: Give me a smile and...(laugh). Thank you. We had long hearings yesterday, so moving along. (Laughter) I just wanted to say, I appreciate you coming up. I think we...I have learned that you have a lot of knowledge in this area, so it's always good when we can ask somebody that's on top of things. But I really agree with Senator Krist that if things get in the computer, then at least you know where they're at, and there won't be 26 missing applications where, for some reason, they didn't get to the right place, you'd know, a lot sooner. You could resurrect it or redo it or whatever you had to do, so I appreciate your willingness to see what can be done on that front. [LB494]

VIVIANNE CHAUMONT: I'll look at that. [LB494]

SENATOR GLOOR: Senator Campbell. [LB494]

SENATOR CAMPBELL: Director, if I'm hearing you right, the application goes to the children and families, that whole segment, and they determine? No, they just take the application, and then they forward it to the state review team? [LB494]

VIVIANNE CHAUMONT: No. It...even under the old process, they determine whether the person was otherwise eligible. So, the determination they need to make is, you know, income, residence, all those things. But for the fact that they're illegal are they eligible... [LB494]

SENATOR CAMPBELL: Got it. [LB494]

VIVIANNE CHAUMONT: ...are they eligible. Is that the only reason they're not eligible, so they make that determination, because if there's other reasons, if the reason is that, you know, they make \$10,000 a year...a month...that's not going to happen. But, you know, then there's no need for the state review team to take it further, so they determine whether the person...and then they used to send it over to the SRT. And the process of that, really, was just to make sure that we were only paying for the emergency services as opposed to paying for, you know, other things that get thrown in there. So...but we are going to...we deleted that, and we will just kind of audit to make sure that we're only paying for the things that we're doing, so that we speed up the process up-front. [LB494]

SENATOR CAMPBELL: So the application comes in the door,... [LB494]

VIVIANNE CHAUMONT: Um-hum. [LB494]

SENATOR CAMPBELL: ...and they go through the process of all their checks. [LB494]

VIVIANNE CHAUMONT: Um-hum. [LB494]

SENATOR CAMPBELL: If at the end, the checks all pan out, then they enter the person in the computer? [LB494]

VIVIANNE CHAUMONT: No. I mean, my understanding is, that that...I don't know about entry into the computer. That's the part I don't understand about, but the Medicaid application is, when you deliver it to the...and now it's Nebraska (inaudible) ACCESSNebraska, probably when you push the button that says you've applied, that's when the application process starts. It isn't...so it doesn't, you know, it shouldn't be sitting on somebody's desk for 30 days, then being entered into the computer, and you just lost 30 days. Now, I just have to also tell you that the eligibility process for the elderly which are the large majority of people, that are in nursing homes is very, very complicated, and it has a lot to do with property transactions and all kinds of things that take a lot more time and knowledge to do those applications. And we do consult with caseworkers on when people have trusts; when they have, you know, life estates. There's all kinds of issues, and those do tend to take longer. And there is a 90-day if the person was otherwise eligible, but it obviously wouldn't apply in an undocumented case, because they weren't otherwise eligible. The emergency is what makes them eligible. [LB494]

SENATOR CAMPBELL: Director, so at this point, though, I mean, the person who's reviewing this, this is a...I mean, it's a personal review. I mean, they need to go through and check. It's not something that's just...you get the application and you look at it. It would take some time to look at it, would it not? [LB494]

VIVIANNE CHAUMONT: Well, and the supporting documentation, you know, wage information, any other...and if it's disability, that takes longer. But... [LB494]

SENATOR CAMPBELL: Right. But it is that thick document that we all got...you weren't here that day, I think, but we all got a copy of what it is to apply for food stamps and any other. [LB494]

VIVIANNE CHAUMONT: Do you mean application? [LB494]

SENATOR CAMPBELL: Uh-huh, and we couldn't leave until we filled it out. And we're still here (laughter). [LB494]

SENATOR HOWARD: It's like 30 pages. [LB494]

SENATOR WALLMAN: And we didn't get our food stamps. [LB494]

SENATOR CAMPBELL: I'm kidding, I'm kidding. [LB494]

VIVIANNE CHAUMONT: And you haven't eaten since (laugh). [LB494]

SENATOR CAMPBELL: But in other words, that person is reviewing all the data that is in that application. [LB494]

VIVIANNE CHAUMONT: Right. [LB494]

SENATOR CAMPBELL: Okay. [LB494]

SENATOR GLOOR: Other questions? Thank you for your testimony. [LB494]

VIVIANNE CHAUMONT: Thank you. [LB494]

SENATOR GLOOR: Anyone else who would like to speak in a neutral capacity? Senator Nordquist. [LB494]

SENATOR NORDQUIST: Thank you, again, members, for the hearing today. I want to thank Director Chaumont for being here and for answering questions. I know a lot of these issues fall under the Division of Children and Families, but the concern I still have is whether...you know, I also want to thank her division for making the change on the review team under Medicaid. I think that will be helpful for the emergency births. But we still have the pending issue of the time that it's taking for...to determine eligibility for Kids Connection and other Medicaid eligibility and the data we gave you that the Legislative Research Office got from DHHS. That shows a pretty significant increase over the last year and a half or so on a monthly basis of the number of cases that are outside 45 days. I think that's very important, so...very important for us to keep our eye on. So I would encourage you to move forward with the bill. I think it's important to codify in state law, express our intent as a Legislature that we do everything we can to comply with federal regulations, and I'd be happy to take any additional questions. [LB494]

SENATOR GLOOR: Questions? Senator Campbell. [LB494]

SENATOR CAMPBELL: Senator Nordquist, just one thing, and I know you sit on Appropriations, but when we reviewed the budgets this summer with HHS and the different divisions, I know that there are operational cuts, if my colleagues will remember, in that division, and so if you haven't had that hearing yet, you may want to check with Jerry directly when he comes, because it may be that we're going to see a cut in staff in that very area. [LB494]

SENATOR NORDQUIST: Sure, and that...I think that hearing is mid-March, the 14th

and 15th that the Department of Health and Human Services will be in before Appropriations. But certainly, as this issue has come forward, I think that's raised a red flag for me, I know, related to those cuts and certainly we'll ask a number of questions at the committee hearing on that. [LB494]

SENATOR CAMPBELL: That would be great. [LB494]

SENATOR GLOOR: Yes. [LB494]

SENATOR HOWARD: Thank you. Of course, with everything being on the computer now, it's not like when I was doing it X number of years ago, it was all manual labor. So the computer really ought to be a useful tool for getting things moved out a lot sooner. [LB494]

SENATOR NORDQUIST: Yeah, yeah. [LB494]

SENATOR GLOOR: Other questions? Thank you, Senator Nordquist. [LB494]

SENATOR NORDQUIST: Thank you. [LB494]

SENATOR GLOOR: And with that, we'll close the hearing on LB494, and I will turn the meeting back over to Senator Campbell. (See also Exhibits 6-9.) [LB494]

SENATOR CAMPBELL: Thank you, Senator Gloor. We will open the hearing on LB696 which is also Senator Nordquist's bill to change provisions relating to children's medical assistance. Welcome, again.

SENATOR NORDQUIST: (Exhibits 10, 11) Thank you, again. Chair Campbell, members of the HHS Committee, I am Jeremy Nordquist, N-o-r-d-q-u-i-s-t, and I represent District 7 in downtown and south Omaha. LB696 will simplify and streamline the administration of the Children's Medical Assistance Act, Kids Connection. At a time where our state is reducing caseworkers and FTEs in DHHS, and transitioning to a Web-based enrollment, it only makes sense to streamline the administration of the program, so that we can reduce the workload of the department and also promote access to healthcare for children in our state. There are a variety of options made available by the federal Children's Health Insurance Program Reauthorization Act or CHIPRA, which allowed states to simplify enrollment and redetermination of eligibility for Medicaid and SCHIP. This bill encourages the department to take advantage of these options. Specifically, the passage of this bill would make Nebraska potentially eligible for federal bonus payments made available by CHIPRA to enroll and cover children. CMS awarded over \$200 million in performance bonuses to 15 states in FY 2010, I believe,...oh, I have a handout here, actually, of those. Our neighboring states of California (sic), Iowa, and Kansas all receive significant performance bonuses...Kansas

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at \$2.5 million, Iowa \$6.7 million, and Colorado at \$13.6 million in FY '10. To be eligible for these federal bonus payments, the state of Nebraska would have to have five of eight program features in place. I have provided an issue brief on those eight as well. Nebraska currently has three of those in place. We have no asset tests for children. We have no face-to-face interview for children's coverage, and we have a joint application for Medicaid and SCHIP. The bill, LB696, would add two additional provisions, so that Nebraska would meet the minimum five requirements. This bill requires the department to implement administrative or ex parte renewals, and it reinstates 12-month continuous eligibility for children. Administrative determinations and ex parte renewals essentially mean that the state verifies eligibility based on employment, income and tax information in the state system, and databases already available to them. For example, when the eligibility period is up, the state could provide a preprinted form to the family with the most current information the state has available to them. Accompanying the preprinted form would be a notice that the child's eligibility would be renewed unless the circumstances on the form have changed. The state may also require that a signed copy of this form be returned. It basically allows the state to utilize the various employment and tax databases that they already have access to, to verify income eligibility. The bill also would reinstate 12-month continuous eligibility for children's medical assistance which was removed in 2002. At the time the 12-month continuous eligibility was removed, the fiscal note on that bill stated, additional eligibility workers would be needed to review cases once the 6-month eligibility period is reached. It is estimated that 60 social service II workers are needed to review cases for changes in income or insurance coverage. The personal service costs and operating costs would be \$1.9 million in the first fiscal year and \$2.8 million in the next. By changing to 12-month continuous eligibility, we will be eliminating significant administrative burdens to the department while also guaranteeing continuity of coverage for low-income kids in our state. With the passage of LB603 in 2009, DHHS estimated that their fiscal note, and was appropriated funds to cover 5,400 children in the fiscal year 2010. That's 5,400. DHHS ended up at only 2,200 children or 41 percent of the enrolled estimate. They only spent 13 percent of the General Funds appropriated for that expansion of coverage in fiscal year '10, leaving \$1.9 million in General Funds appropriated for coverage of children unspent. Although the enrollment targets seem to be more on target in fiscal year '11, the amount of General Funds expended for coverage in fiscal year '11 is still nowhere near what has been appropriated. I have included enrollment and expenditure data on a separate handout for the committee. I think that was distributed. All of this to say, it was clearly the intent of the Legislature to expand health insurance coverage and healthcare availability for children with the passage of LB603, a component of the broader solution to the safe haven crisis. We have clearly fallen short of this intent with the actual implementation of the expansion. I might also add that the percent growth in Kids Connection between 2009 and 2010 during the worst of the economic downturn was less than 1 percent. I think this alone tells us that we, as a state, are not doing enough outreach or that we are making the enrollment process too difficult. This is not because there is a shortage of uninsured children in our state.

According to the Kaiser Foundation, there were 40,000 uninsured children in our state in '08 and '09. Kaiser found that 31,000 of those uninsured children fell below 200 percent of poverty, our current threshold for Kids Connection. Thus, they are eligible for it. This bill would help keep more children covered to keep them on their coverage, make sure they have continuity of coverage, and would simplify the administration of the program, and I urge you to support this bill. Thank you. [LB696]

SENATOR CAMPBELL: Questions from the senators? Senator Howard. [LB696]

SENATOR HOWARD: I noticed that...I like your bills so much, I keep signing onto them (laughter), but I really support this. And, you know, I remember when this came up before, and we have the six months eligibility, and the argument was that they can phone in and renew it. But people that are working minimum wage jobs, it's not that easy. They're not given time at their Oriental Trading job, for example, to just step aside and make a phone call and answer, I don't know how many questions you'd have to answer at that time. But that's not really reality for those people. And by going to 12 months review period, it looks like that would certainly benefit them and also us. So, thank you. [LB696]

SENATOR NORDQUIST: Yeah, and it would also...potentially, we would be potentially eligible for the new federal bonus payments, too, so. [LB696]

SENATOR HOWARD: That's exactly what I'm thinking. That's a good thing. [LB696]

SENATOR NORDQUIST: The potential is for that. Yeah. [LB696]

SENATOR CAMPBELL: Any other questions from the senators? Will you be staying to close, Senator Nordquist? [LB696]

SENATOR NORDQUIST: Yeah, yeah. Thank you. [LB696]

SENATOR CAMPBELL: First proponent. [LB696]

JENNIFER CARTER: (Exhibit 12) Good afternoon, Chairman Campbell and members of the committee. My name is Jennifer Carter, C-a-r-t-e-r. I'm the director of Public Policy and the Health Care Access Program at Nebraska Appleseed. We'd like to thank Senator Nordquist for bringing this bill. We've worked on children's healthcare coverage for many years, and it's been really...this Legislature and committee, I think, has been really dedicated to children's health in the last several years in an impressive way. And I think LB696 really builds on that effort and continues to improve the Kids Connection program by restoring 12 months continuous eligibility and moving to administrative or ex parte renewals. And as Senator Nordquist covered, I thought very well, it could make us eligible for bonus payments under the Children's Health Insurance Reauthorization Act,

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so I'm happy to answer more questions about that if anybody has questions. But I think he explained it quite well. One reason why we...as was mentioned, like continuous eligibility and think it's so important is it not only maintains healthcare coverage for kids, but the continuity of care, so that when a child can continue to work with the same doctor who understands their current conditions, and they're not ending up in the emergency room or at clinics, and kind of jumping around where people are not...we just wouldn't have that history and things. That's kind of where you get some inefficiencies in your healthcare system. I also think that Senator Howard made an excellent point that we find as well, that these families often don't have the opportunities to go to the HHS office or to find the time to recertify and do what's necessary. So you have this churning process where kids drop off for a couple of months, and then they might be able to come back on, and it's just not efficient both to their health or to the system, because that churning creates a real administrative burden on the caseworkers who are processing applications and then they're trying to recertify, and then they are processing an application again a few months later. And it just sort of is not a really efficient way to run the system. So...and I actually think that it's our understanding that HHS, to some extent, has already acknowledged that some kind of administrative simplicity would be helpful, because while we still have 6 months continuous eligibility, our understanding is that, actually, in practice they've moved to something that's closer to 12-month renewal, so that they're not strictly recertifying at 6 months. They're waiting for affirmative information from the family, because the families are obligated to self-report or if the databases that Senator Nordquist discussed flag something for them, that's when it's recertified, so it's allowed families to stay on a little bit longer. I think this also means that we've kind of moved to a place where 12 months continuous is not a huge leap. It's also the start of an administrative renewal process that Senator Nordquist described that we're sort of almost there, but not quite to meet the standards under CHIPRA. So it would be great if we could just make some modifications and get there, and I think there's not only been an effort in Nebraska, but a national effort to enroll more kids who are eligible, who are sitting out there today eligible for Kids Connection and not going to the doctor. There's been a challenge by the secretary of HHS, the Connecting Kids to Coverage Challenge that many states have taken up, and so I think we have an opportunity in Nebraska, given our population size, to really climb this mountain, and be a place where all kids have access to the coverage that they need. And I think that's an exciting possibility and LB696 really would get us further in that effort. So I'd be happy to answer any questions. [LB696]

SENATOR CAMPBELL: Questions? Senator Wallman. [LB696]

SENATOR WALLMAN: Thank you, Chairman Campbell. Yes, Jennifer, thanks for coming. Now, I look at this doctors and medical profession. Do we have trouble getting doctors on this program or are we fine there? [LB696]

JENNIFER CARTER: You know, I don't know how many... I don't have numbers on how

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many are covered. I do think that there are...certainly, I know in certain areas like dentists particularly, in outstate Nebraska, there are few who are super dedicated, but oftentimes it's hard to find that type of primary care for children. But we've not heard too many complaints about being able to get in to see on Kids Connection. But I still...I do think that I have heard from some pediatricians that they have an increasing...there are some administrative increasing problems with Medicaid that they are experiencing, sometimes even more than with private insurance. I do think that's a little bit of a concern, so any ways we can make this process more stable for those families, so that they can stay with that doctor and they're not, you know, not coming back and forth, and the doctor's patient caseload stays more stable, I think that would be helpful. [LB696]

SENATOR WALLMAN: Thank you. [LB696]

SENATOR CAMPBELL: Any other questions? Thank you, Ms. Carter. [LB696]

JENNIFER CARTER: Thank you. [LB696]

SENATOR CAMPBELL: Other proponents? Good afternoon. [LB696]

ANDREA SKOLKIN: (Exhibit 13) Repeat. Good afternoon, again. My name is Andrea Skolkin, S-k-o-I-k-i-n. I am the chief executive officer of OneWorld Community Health Centers, and one of six federally gualified health centers in Nebraska, and here my testimony for LB696, may be somewhat repetitive of what you've heard, but nonetheless, I'd like to proceed. In our health center, we provide care to over 21,000 individuals, 7,200 of them being children. I know that you all share in our mission in wanting to ensure that Nebraska's low-income children have the greatest opportunities for success. Nebraska's health centers are caring for tomorrow's leaders today, and I want to thank you all for your support of expansion of children's Medicaid to 200 percent of poverty. It is truly making a difference in the health and well-being of low-income children in Nebraska. The children that walk through our clinics today are our doctors, nurses, pharmacists of tomorrow that will be caring for us as we age. Beyond food, shelter, education, the single most impact in their life is healthcare. Assuring continuous eligibility for Medicaid enrollment makes economic sense for the health of children from obtaining immunizations, lead screening, and developmental assessment, health education, preventive medical care to dental and behavioral healthcare. Data has shown that families that have a source of reimbursement are more likely to visit their physicians for well child checks and, thus, more likely to stay healthy. Both continuous eligibility, limited reviews, streamlining the paper and the process makes sense for the health of our children, and will lessen the administrative burden of state and local staff, and has the potential of reducing costs in the system. As Medicaid enrollment has moved to ACCESSNebraska centers, we have used a lot of staff resources to enroll and keep kids enrolled in Kids Connection. Thank goodness, we are one of the fortunate recipients of a Centers for Medicaid and Medicare grant that allowed us to have an

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outreach team to perform this function, and that grant is up for renewal. In the past year alone, we've been able to reach 4,000 children. Since moving to the ACCESS centers, renewals have become more difficult, cases of lost or missing verifications common, cases closed despite family goodfaith efforts, extreme difficulties in contacting state workers, and, again, lack of training on policy relating to children's Medicaid programs. We have encountered lack of language access, cultural sensitivity, difficulties with menu navigation at the call center and, again, letters in not the primary language of the applicant, and cases that are pending longer than 45 days with no explanation. Early last fall, we had 150 clients that were pending an average of 140 to 160 days in cases that were automatically denied. If we can redirect these resources both we, as providers, the state as our state budget and keep children enrolled in Medicaid, there is sure to be a cost savings that would offset the Medicaid costs to keep kids healthy. On behalf of Nebraska's six community health centers, we are grateful to Senator Nordquist for authoring this bill and urge your support of the bill. Thank you for listening to me today, and I will be happy to answer questions. [LB696]

SENATOR CAMPBELL: Questions for Ms. Skolkin? No questions. Thank you very much. [LB696]

ANDREA SKOLKIN: Thank you. [LB696]

SENATOR CAMPBELL: Next proponent? [LB696]

KRISTINE McVEA: (Exhibit 14) Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Dr. Kristine McVea, K-r-i-s-t-i-n-e M-c-V-e-a. I'm a pediatrician. I'm a board member of the March of Dimes Nebraska Chapter. As you may know, the March of Dimes is a voluntary health organization dedicated to improving the health of women of childbearing age, infants, and children by preventing birth defects, preterm birth and infant mortality. Access to health coverage is critical to achieving these goals and for this reason is a foundationwide priority. We strongly believe that access to healthcare benefits individuals and the state as a whole. Continuous eligibility guarantees a full 12 months of coverage for children regardless of changes in their families' income or status. By implementing this program element, a state ensures that for 365 days a year, children get and keep the coverage for which they are already eligible. The result is healthier children and decreased state resources on unnecessary paperwork. Continuous eligibility works similar to employer-based coverage. A family would enroll their child once a year, eliminating the need for repeatedly completing renewal forms. Three benefits result when 12-month continuous coverage is instituted. Children stay enrolled and do not lose coverage unnecessarily; children receive better continuity of care which can decrease health costs; and states save staff resources and administrative costs. Studies have shown that state renewal requirements generate large disenrollments, yet these children who have lost coverage reenroll within a few months. This churning or recycling of individuals in and out of the

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program suggests that children were dropped even when they remained eligible or soon become eligible due to fluctuations in the family income. Health outcomes can be improved with ongoing health insurance coverage since it helps to ensure appropriate preventive, primary, and condition-based care. With continuous care, acute episodes can be prevented or treated earlier, and the management of chronic conditions is improved, decreasing health costs. When gaps in coverage are eliminated, the number of disenrollments and reenrollments the state processes is reduced. This results in the reduction of administrative costs which are associated with unnecessary reprocessing of applications. Along with reinstating continuous eligibility, LB696 also requires the implementation of administrative determinations or exparte reviews. You've already heard that passage of LB696 then makes Nebraska eligible for performance bonus payments under CHIPRA, a benefit our neighboring states of Iowa and Kansas have received. The March of Dimes is a strong supporter of streamlining the administration of children's medical assistance, benefiting the health of our children and offsetting the state's cost. In closing, thank you for your service and dedication to our great state, and I would be happy to answer any questions. [LB696]

SENATOR CAMPBELL: Any questions for Dr. McVea? Thank you, Dr. McVea. Good to see you. [LB696]

KRISTINE McVEA: Thank you. [LB696]

SENATOR CAMPBELL: Next proponent. [LB696]

JIM CUNNINGHAM: Senator Campbell and members of the committee, my name is Jim Cunningham, C-u-n-n-i-n-g-h-a-m, representing the Nebraska Catholic Bishops Conference and testifying in support of LB696. The reasons for this bill and certainly which justify its advancement by your committee have been very well articulated. Our reasons for supporting it basically are two. First of all, because it would enhance access to healthcare for eligible low-income children and, secondly, because it would reinstate the 12-month continuous eligibility for medical assistance. My best recollection is that we were opposed to the elimination of the continuous eligibility back in 2002, so we certainly support reinstatement of that. Thank you. [LB696]

SENATOR CAMPBELL: Are there any other questions or comments? Thank you, Mr. Cunningham. [LB696]

JIM CUNNINGHAM: Thank you. [LB696]

SENATOR CAMPBELL: Any other proponents? [LB696]

AUBREY MANCUSO: (Exhibit 15) Good afternoon. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm the Economic and Policy and Research Coordinator

for Voices for Children in Nebraska. A lot of what is in my testimony has already been said today, but I'll just reiterate that we feel that the state took a step backwards in ensuring low-income children have ongoing access to healthcare in 2002. And this is important that they get access to immunizations, developmental screenings, and preventative services, and, ultimately, have the ability to establish a health home. So we urge the committee to advance this bill, and I'll take any questions. [LB696]

SENATOR CAMPBELL: Any questions? Thank you very much. [LB696]

AUBREY MANCUSO: Thank you. [LB696]

SENATOR CAMPBELL: Other proponents? Anyone testifying as an opposition to LB696? Good afternoon, again. [LB696]

VIVIANNE CHAUMONT: (Exhibit 16) Good afternoon again, Senator Campbell and members of the Health and Human Services Committee. My name is Vivianne Chaumont, V-i-v-i-a-n-n-e C-h-a-u-m-o-n-t, and I'm the Director of the Division of Medicaid and Long-Term Care for the Nebraska Department of Health and Human Services. I'm here to testify in opposition to LB696. LB696 would result in a Medicaid and CHIP expansion. Nebraska currently provides for guaranteed eligibility for children for six months. This means that when a child applies and is found eligible for Medicaid or CHIP, that child is guaranteed eligibility for six months whether or not the family's circumstances have changed. This bill would increase that guaranteed eligibility for children from six months to twelve months. The department estimated that guaranteeing eligibility for an additional six months would result in each child being eligible for at least one additional month. This could be a conservative estimate since the data show that the average length of coverage per year is ten months per child under current law. Increasing the period of guaranteed eligibility from six months to twelve months is estimated to cost \$18.6 million in total funds, and \$7.4 million of that is in General Funds for fiscal year '12. CHIP expenditures are estimated to increase by \$2.4 million total funds which is \$713,000 General Funds for fiscal year '12. The first full year of expansion would be fiscal year '13. For Medicaid, LB696 will result in \$39 million total funds of which \$15.6 million are General Fund and for CHIP, \$5 million total funds which \$1.5 million is General Funds in additional spending. LB696 also requires the department to implement a process of administrative redeterminations or exparte reviews for redetermination of eligibility for children in Medicaid and CHIP. In the administrative redetermination process, the department would provide a preprinted form populated with available eligibility information to the child's parent along with a notice that eligibility will be renewed based on such information unless the parent provides other information affecting eligibility. The department would verify that information through electronic and other means. In the exparte redetermination process, the department would make a redetermination to the maximum extent possible, based on information contained in the individual's file or other available information before seeking

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any information from the child's parent. Both of these options rely on verification of information electronically. The type of data necessary to conduct these reviews includes data related to income from employment, self-employment, or other income. The current eligibility system does not allow access to real time data that would be necessary to implement a process of administrative determination or ex parte reviews. In order to capture this real time financial data, there would need to be a considerable upgrade to the system to allow the department to connect with other agencies or financial institutions. The Children's Health Insurance Program Reauthorization Act of 2009 known as CHIPRA provides for performance bonus payments for federal fiscal years 2009 through 2013 if a state meets five of eight criteria set out in the federal statute and increases enrollment above baseline levels. According to the Centers for Medicare and Medicaid Services, Nebraska meets three of the eight criteria. The soonest Nebraska could possibly be eligible is April 2012. Nebraska could also be eligible in April 2013. While it's unclear how much the federal bonus payments would be, the annual costs of implementing the proposed expansions to the Medicaid and CHIP programs far outweigh the potential of securing potential bonus payments. The programs mandated by LB696 would constitute a clear expansion of the Medicaid and CHIP programs. The Department of Health and Human Services therefore opposes LB696. I would be happy to answer your questions. [LB696]

SENATOR CAMPBELL: Questions for the director? Director, I have to say, and I notice that Senator Avery is here for the next bill, and perhaps his memory is better than mine, but I remember when Senator Avery's bill came up as a part of the package of the LB603 process two years ago. And I remember going, and I know the question was not directed to your division. I think it might have been directed through Ms. Dozell (phonetic) from Public Policy, but I remember a number of applicants coming to us and saying, we have questions about, you know, the six months and could we go to two years? And I think that, at one point, we had it as a part of Senator Avery's bill. He's listening intently, I can tell. But as I recall, the response back was, that while we didn't have it in law that we did the six months for all intents and purposes, we didn't go back at six months and check, but we went back every 12 months and checked. Would that have been...I mean, do we go...actually go back every six months and check now, or do we just kind of let that go until it is at 12 month? [LB696]

VIVIANNE CHAUMONT: No. I think that we do not have 12 months guaranteed eligibility, and every month the family is supposed to provide us with information as to whether or not their financial circumstances or any other circumstance changed. Under this bill, they would not have to provide us that for 12 months for that additional six months. [LB696]

SENATOR CAMPBELL: So, in other words, we were probably still assuming that every family was turning that in at that point. But I do remember at some point, that was discussed. I'm seeing a few heads nod, and I'm not expecting you... [LB696]

VIVIANNE CHAUMONT: Well, um-hum. Yeah, it was. It was part of Senator Avery's bill, if I recall, and he took that out, if I recall because of the fiscal note, if I recall. [LB696]

SENATOR CAMPBELL: And I think it's because of the practical nature of...that the department made out. We view it every six months, but they expect the family, from what you're saying, to provide that information, so that if at eight months, the lottery comes in, it was your example if somebody makes \$10,000 a month that then they notify the department, and they're going off between that six-month interval. [LB696]

VIVIANNE CHAUMONT: Well, and I think there are some electronic alerts as well that if the family doesn't submit information, that those electronic alerts go off as well. [LB696]

SENATOR CAMPBELL: Okay, okay. Well, I'm probably guilty of spreading a very bad rumor then. No comment from the director's (inaudible) (laughter). But I do remember there was great discussion out in the Rotunda, and there was a lot of information going around. Okay. Any other questions or comments? Thank you. [LB696]

VIVIANNE CHAUMONT: Thank you. [LB696]

SENATOR CAMPBELL: Anyone who wishes to testify in opposition or who wishes to provide neutral testimony? Senator Nordquist, would you like to close on your bill? [LB696]

SENATOR NORDQUIST: Thank you, again, members, for the hearing. I just, you know, the situation that we're talking about here can be, though, as simple as a family in month six, and mom getting a little too much overtime that month. And they're up for renewal, but the alerts go off at the department. They're done at six months. Mom doesn't get the overtime the next month, and we're starting the paperwork process all over again, so I think there's a simpler way that we can continue to work on this. And I understand that there's a significant fiscal cost to it right now, but I think it's something we need to continue to work on. [LB696]

SENATOR CAMPBELL: Other questions? Senator Nordquist, I would agree with you, having debated on this issue several years ago and working with Senator Avery. I think it's well that we continue to monitor this and try to find solutions. [LB696]

SENATOR NORDQUIST: Thank you. [LB696]

SENATOR CAMPBELL: With that, we will close the public hearing on LB696 and proceed to our last hearing of the day and of this week. LB607, and Senator Avery is here. Welcome. [LB696]

SENATOR AVERY: Thank you, Madam Chair. [LB607]

SENATOR CAMPBELL: Senator Avery's bill is to provide duties for the Department of Health and Human Services and the Tax Commissioner regarding Kids Connection. Please proceed. [LB607]

SENATOR AVERY: Thank you. My name is Bill Avery, B-i-I-I A-v-e-r-y. I represent District 28 here in the heart of Lincoln. This bill, LB607, authorizes an interagency agreement between the Departments of Health and Human Services and the Department of Revenue. The purpose of this would be to study and develop the use of model language for potential tax form modifications that would identify children who are uninsured, but eligible for healthcare through Medicaid or the state's CHIP program, the state's Children's Health Insurance Program known as Kids Connection here in Nebraska. LB607 directs these two departments to develop model questions for possible future use on tax forms. Questions such as, do you have any dependent children? Are your dependent children under 19 years of age? Do your children have health insurance at the time of this filing? The departments are also directed to draft model language for consent, disclosure, or other notice that nonparticipation or misinformation is not punishable by law, and any other questions that these two departments may deem appropriate for the purposes of this act. Through the interagency agreement, both departments would be bound by confidentiality laws and would not be able to share any information other than for the purposes outlined in this act. You're all aware that we have had a serious problem with uninsured children in this state. In 2008 and 2009, U.S. census current population survey indicated an average of 40,000 kids uninsured; 31,000 of which were living at 200 percent below the federal poverty level, or that is a family that had an income of about \$44,000 for a family of four. That's 78 percent of our uninsured children living under the federal poverty level, who did not have healthcare. The Legislative Fiscal Office has indicated that August 2009, there were close to 24,000 children on this CHIP program. We call it Kids Connection or SCHIP. As of December of 2010, that number has increased to 29,658, so we have had an increase of 5,541 children now who are being covered. Perhaps some of this is the result of the legislation that, Madam Chair, that you talked about, LB603, which did include my bill, LB136. That expanded Kids Connection to eligibility from 185 percent of federal poverty to 200 percent. This was a significant accomplishment by this Legislature and by the administration. It was a direct result of our determination to respond to a serious crisis that we had which we referred to as the Safe Haven Crisis. Other states have done what we are proposing with LB607. Iowa has something similar. Maryland, New Jersey, Louisiana--they've all pioneered tax-based outreach by entering into interagency sharing agreements for the purpose of revising their state income tax forms to identify SCHIP and Medicaid eligibility. Iowa's outreach program is an example of the kind of collaboration that we're proposing here. Iowa's tax-based outreach program modified their state tax forms and defined healthcare coverage, sent information to potentially eligible families, and issued a report to the governor and the

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state assembly. Iowa learned a couple of things from this collaboration. They learned first that establishment of an interagency data sharing agreement was critical. They did not do this in their first year, and they learned that a separate tracking mechanism by each agency was overly burdensome and a waste of time and effort. A unified tracking system would have facilitated enrollment procedures by targeting areas of the state with higher rates of children lacking healthcare. They also learned that an interagency agreement in their first year would have ensured that tax form wording was as clear as possible. This would have avoided unnecessary expenditures on revamping materials and excessive postage. They did have to go in and redo the whole program, I believe, and that cost them some money. It would also have allowed the agencies to consider administrative complexities for the future. Adding additional tracking mechanisms to the forms could have better identified the impact of tax-based outreach from the outreach programs. But in the end, lowa learned that it worked. They sent out 57,000 notices as a result of changes they made in their 2008 tax forms, and they had a 76 percent response rate, either reporting the existence or absence of coverage. That was impressive. The advantage of LB607 is that we can learn from lowa and other states and attempt to overcome the administrative hurdles prior to even considering any appropriation of funds, and that's what we're seeking to do with this bill. Get the interagency agreement in place and let's find out what we can do, what it will cost us before we start wringing our hands about the cost and wringing our hands about oh, we're going to add all these new children into the eligibility pool. And if that happens, I'd say, yes, that's good, because that's part of what I'm trying to achieve here. I do note that Senator Nordquist had two bills before you just before I arrived that suggest other mechanisms to meet many of the objectives that we're seeking here. I applaud him for that, and I hope that we can all work together, because the bottom line is that our...is that we're talking about the health of our children and every child in our state should have guality healthcare, and especially, our low-income families that have a hard time making ends meet. Let me stress that LB607 only asks at this time that the Departments of Revenue and Health and Human Services get together and explore ways of developing an outreach mechanism that will continue to provide valuable healthcare and services to our neediest children. This does not expand the current program. It is merely providing a path toward expanding awareness of the program to those who are already eligible. It's an outreach program, and I believe if you look at the fiscal note, there is no General Fund impact at this stage. If we get to the point where we are altering the tax form, then, of course, there would be some fiscal impact, but that would be for another biennium. With that, I will end my testimony, invite you to seriously consider this proposal, and I'll be happy to take questions. [LB607]

SENATOR CAMPBELL: Questions for Senator Avery. Thank you, Senator Avery. Will you be here to close? [LB607]

SENATOR AVERY: You know, I can't because I have my own committee next door (laugh). [LB607]

SENATOR CAMPBELL: I know. We're all moving from spot to spot today. Thank you. If we have any questions, I'll be sure to get back in touch with you. [LB607]

SENATOR AVERY: You want me to leave my legislative aide behind to take the heat? [LB607]

SENATOR CAMPBELL: Sure, if that's what you're offering out, but we try to be very kind to legislative aides (laughter). The first proponent for this bill, please. Proponents? Good afternoon, again. [LB607]

AUBREY MANCUSO: (Exhibit 22) Good afternoon, again. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. We would like to express our strong support for LB607. This bill is an important first step toward streamlining enrollment in Kids Connection and ensuring that all eligible children in our state are enrolled. Numbers on the number of uninsured kids who are living at 200 percent or below of the poverty level suggests that we could substantially reduce the number of uninsured children just by enrolling all those who are eligible. Tax time presents a unique opportunity to reach this population, because of universal compliance requirements and the availability of information regarding income and household composition. Allowing for the exploration of data sharing between the Department of Revenue and Health and Human Services could simplify the enrollment process and give more children access to health insurance. In addition, this could decrease the outreach and enrollment burden currently placed on the Department of Health and Human Services. Quality and consistency in healthcare for children is critical to healthy development and academic success. Kids Connection is a cost efficient mechanism for providing care to uninsured children. The state should work to enroll all eligible children and simplify the administrative burdens of enrollment. This bill is a significant first step towards meeting these goals, and we urge the committee to advance LB607. Thank you. [LB607]

SENATOR CAMPBELL: Thank you, Ms. Mancuso. Questions? Seeing none, thank you very much for coming. [LB607]

AUBREY MANCUSO: Thank you. [LB607]

SENATOR CAMPBELL: Next proponent? [LB607]

JENNIFER CARTER: (Exhibit 23) Good afternoon, again, Chairwoman Campbell and members of the committee. I'm Jennifer Carter, C-a-r-t-e-r, director of Public Policy and Healthcare Access at Nebraska Appleseed, and we are here to testify also in strong support of LB607. We really appreciate that Senator Avery has been interested in this issue and brought this, what we think is a very important bill. I think it's an exciting

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opportunity, as we discussed, that there is more focus in this state and nationally on enrolling kids who are out there eligible already for Medicaid and CHIP. This could be a really significant first step in the conversation about what has been discovered to be one of the best ways to make sure we're getting kids in the door. As has been mentioned, the overwhelming majority of our uninsured children are in households that appear to be income eligible for Kids Connection. So they're sitting there not going to the doctor when they actually could be if they knew about this program and were enrolled. And I think there's lots of reasons why eligible children don't get enrolled, but oftentimes, it's as simple as parents not knowing about the program and not knowing that they're eligible and, in part, because we are at 200 percent for Kids Connection. That means a family could still be, you know, they're still low income, but they can be working, and I think a lot of times working families think these programs may not be available to them, but they're likely not getting private insurance for their families. So what we really like about this is that it is information we already have, and it's just about the departments talking to each other and sharing that information, so that we can better identify these families, and then decide with that information how to approach it. Some states have used it for outreach; some states have used it very successfully like Louisiana for actually enrolling families, where it's clear that they're eligible. And so I think there could be a whole lot of opportunities once we finally start having this conversation and seeing how we could use that information. So I just wanted to emphasize again that I think this is not an expansion. These are kids who are currently eligible today. One other thing that I think is important is, this is a little bit distinct from what we've been talking about this afternoon, and that it's not just about maintaining families on the program. This is getting families in the door who don't know the door is there or who haven't actually thought they could access it, and I think that's a big difference that is really important. I'd also note that if we did get ourselves as a state in a position to access the CHIP or bonus dollars if we got the five of eight requirements in place, dependent on how we used the tax data matching, it could actually meet one of those five of eight requirements. But, separately, because it's so effective in enrolling kids and one of the requirements is both that you have five of eight, and that you increase your Medicaid eligible children's enrollment, and you hit a certain target, this is going to be one of the most effective ways for us to meet that goal as well, to help us increase our potential for bonus dollars. So, we are really excited about this, because I think it's a part of a discussion and with no fiscal note, I think it's a great opportunity for us to start moving forward, so we strongly encourage the committee to advance the bill. I'm happy to take any guestions. [LB607]

SENATOR CAMPBELL: Any questions from the senators? Seeing none, thank you, Ms. Carter. [LB607]

JENNIFER CARTER: Thanks. [LB607]

SENATOR CAMPBELL: Other proponents? Anyone wishing to testify in opposition?

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Anyone in a neutral position? Seeing no other testimony, we will close the public hearing this afternoon on LB607. And unless the committee has anything else, we're done for... [LB607]