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Health and Humans Services Committee February 21, 2024
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HANSEN: All right. Good afternoon and welcome to the Health and Human Services Committee. My name is Senator Ben Hansen. I represent the 16th Legislative District in Washington, Burt, Cuming, and parts of Stanton counties and I serve as Chair of the Health and Human Services Committee. I would like to invite the members of the committee to introduce themselves starting on my right with Senator Day.

DAY: Good afternoon, I'm Senator Jen Day, represent Legislative District 49 in Sarpy County.

M. CAVANAUGH: Oh. Machaela Cavanaugh, District 6, west central Omaha, Douglas County.

RIEPE: Merv Riepe, District 12, which is metropolitan Omaha and the fine people of Ralston.

HANSEN: Also assisting the committee is our legal counsel Benson Wallace and our committee clerk Christina Campbell. And our committee pages for today are Maggie and Molly. A few notes about our policy and procedures. Please turn off or silence your cell phones. We'll be hearing four bills and we'll be taking them in the order listed on the agenda outside the room. On each of the tables near the doors to the hearing room, you'll find green testifier sheets. If you're planning to testify today, please fill one out and hand it to Christina when you come up to testify. This will help us keep an accurate record of the hearing. If you are not testifying at the microphone and want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at each entrance where you may leave your name and other pertinent information. Also, I would note if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We'd ask if you do have any handouts that you please bring 10 copies and give them to the page. We will be using a light system for testifying. Each testifier will have 3 to 5 minutes to testify depending on the number of testifiers per bill. When you begin, the light will be green. When the light turns yellow, that means you have 1 minute left. When the light turns red, it is time to end your testimony and we'll ask you to wrap up your final thoughts. When you come up to testify, please begin by stating your name clearly into the microphone and then spell both your first and last name. The hearing on each bill will begin with the introducer's opening

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statement. After the opening statement, we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed until-- unless previously approved. And we do have a strict no-prop policy in this committee. So with that, we'll begin today's hearing with LB920 and welcome Senator McKinney to open. Welcome.

McKINNEY: Thank you. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent the-- I represent District 11 in the Legislature. We are here today to discuss LB920, which requires the, the Department of Health and Human Services to establish a Restaurant Meals Program. Access to nutritious meals is a fundamental right that every individual deserves. However, for some recipients of the Supplemental Nutrition Assistance Program, otherwise known as SNAP, barriers such as a lack of cooking facilities or stable housing can impede their ability to prepare meals at home. In response to this pressing issue, we, we propose the implementation of a Restaurant Meals Program within SNAP, specifically tailored to address the needs of vulnerable populations in Nebraska. By allowing SNAP beneficiaries to use their benefits to purchase prepared meals at participating restaurants, we can assure that everyone has access to nutritious food regardless of their circumstances. This legislation is necessary for many reasons. The first is to address food insecurity. Food insecurity remains a significant challenge in Nebraska with many individuals and families struggling to access adequate nutrition. By introducing a Restaurant Meals Program within SNAP, we can provide a vital lifeline to those who may face difficulty in preparing meals at home due to a lack of cooking facilities or homelessness. This initiative ensures that SNAP benefits are utilized effectively to combat hunger and improve food security among vulnerable populations. Next, it promotes health and nutrition. Access to nutritious food is essential for overall health and well-being. However, for individuals facing barriers to cooking at home, maintaining a healthy diet can be a challenge. By allowing SNAP beneficiaries to purchase prepared meals at restaurants will empower them to make healthier food choices and improve their dietary intake. This not only benefits their physical health, but also contributes to long-term wellness and disease prevention. Next, it supports local businesses. Introducing a Restaurant Meals Program within SNAP can also have a positive economic impact, particularly for local restaurants. By expanding the pool

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for-- pool of potential customers to include SNAP beneficiaries, participating restaurants can increase their revenue and support local economies. This program not only benefits individuals in need, but it also strengthens the community as a whole by fostering collaboration between government agencies and local businesses. Next, it ensures equity and inclusion. Everyone deserves access to nutritious food regardless of their circumstances. By implementing the Restaurant Meals Program within SNAP, we uphold principles of equity and inclusion by ensuring that all individuals have the opportunity to nourish themselves adequately. This initiative is especially important for marginalized communities, including the elderly, individuals with disabilities, and those experiencing homelessness who may face additional barriers to accessing food. It also streamlines access to benefits. Simplifying the process of access, access in SNAP benefits can help ensure that eligible, eligible individuals receive the support they need in a timely manner. By allowing beneficiaries to use their benefits to purchase prepared meals at restaurants, we eliminate barriers such as the need for cooking facilities and, and storage spaces for groceries. This streamlining access of benefits not only improves the, the efficiency of the program, but also helps enhancing the overall well-being of SNAP recipients. The implementation of a Restaurant Meals Program within SNAP is a crucial step towards addressing food insecurity and improving access to nutritious, nutritious food for vulnerable populations in Nebraska. By providing SNAP beneficiaries with the option to purchase prepared meals at restaurants, we promote health and nutrition, support local businesses, ensure equity and inclusion, and streamline access to benefits. This initiative represents a win-win solution that benefits individuals, communities, and the economy as a whole. It is-- it, it is time to prioritize the well-being of all Nebraskans by act-- by enacting this important legislation. And with that, I'll answer any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? Got a couple-- oh, go ahead, Senator Riepe.

RIEPE: Oh, thank you, Chairman Hansen. I guess my one question, I'm trying to read here on the handout that talked about-- are restaurants able to facilitate an EBT card or-- as opposed to-- you know, they take credit cards, but I didn't know--

McKINNEY: Some-- yeah, I mean, they might have to change their POS system, but I know currently you can go to a Kum & Go and use a SNAP card. So it's not out of the realm of thinking and it's not difficult.

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It's just, maybe, they might just have to update their, their POS system, most likely.

RIEPE: Is the restaurant association in support of the idea?

McKINNEY: I'm not sure. I haven't talked to them, but I got this idea from a restaurant owner, so.

RIEPE: Well, that'll tell you something.

McKINNEY: Yeah.

RIEPE: OK. Thank you.

McKINNEY: No problem.

RIEPE: Thank you for being here. Thank you, Chairman.

HANSEN: So are there other states that do this?

McKINNEY: There's 9 other states, there's Arizona, Maryland, New York, California, Massachusetts, Rhode Island, Illinois, Michigan, and Virginia. So it's across-- is-- I mean, it--

HANSEN: So it's not-- yeah, not unheard of.

McKINNEY: Yeah.

HANSEN: It's not completely new.

McKINNEY: Yep.

HANSEN: And it looks like they do have to, yeah, update their POS system and then have a contract with the-- with the state and it seems like a whole process they have to go through--

McKINNEY: Right.

HANSEN: --in order-- in order to do this, so. And so this isn't really-- and so I was looking at the fiscal note-- this isn't, like, expanding SNAP benefits per se. It's just they're--

McKINNEY: It's just--

HANSEN: --they're able to use them.

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McKINNEY: Use it. It's just adding another allowable use.

HANSEN: OK.

McKINNEY: Pretty much. Yep.

HANSEN: OK, cool. Any other questions? Seeing none, you're staying to close?

McKINNEY: Yes.

HANSEN: All right. Thank you.

McKINNEY: Yeah.

HANSEN: All right. If I could, since we have a full house here, how many-- how many people are planning to testify on this bill in favor or against or neutral? Can you raise your hands? OK, good. OK, not too bad. OK. So I think what we'll do today is we'll, we'll kind of keep the testimony to 3 minutes if we can. We'll allow a little bit-- a little bit of leeway if you happen to go over so don't worry about it. But-- so we'll first take our first testifiers in support of LB920, whoever wants to come up first. Welcome.

KATIE NUNGESSER: Thank you. Thank you, Chairperson Hansen and members of the Health and Human Services Committee. My name is Katie Nungesser, spelled K-a-t-i-e N-u-n-g-e-s-s-e-r, and I'm here representing Voices for Children in Nebraska in support of LB20-- LB920. Good food and the ability to access it are fundamental to child health and well-being. LB920 is a crucial piece of legislation that addresses a gap in the SNAP Program. This bill aims to make food assistance more equitable, dignified, and accessible for vulnerable populations in Nebraska. Implementation of the SNAP Restaurants Meals Program would be beneficial to children living in households with seniors, disabled individuals, and those experiencing homelessness. While SNAP has been a vital resource for families in need, LB920 recognizes the limitations of the traditional program, especially for households lacking a kitchen or the ability to prepare meals for themselves. The proposed legislation provides additional food purchasing assistance that is more inclusive, ensuring that all families, regardless of their living situation or abilities, have access to nutritious meals. The impact of LB920 on children cannot be overstated. In 2021, over 3,500 families with children were homeless in Nebraska. An additional 2,229 families were at risk of homelessness. When a family is homeless without a kitchen, the ability

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to pay for a precooked or ready-made meal can be the difference between going to bed hungry or fed. These vulnerable children deserve our support and equitable access to food. LB920 can play a vital role in addressing those barriers and their nutritional needs. One Nebraska mom spoke to us about long days of being homeless with her children. The emergency shelter required them to leave during the day. She spoke of endless hours riding the bus and hanging out at city parks to kill time. She fed her kids dry goods from gas stations with her SNAP dollars, which often lacked protein and other nutrients. These proposed changes to SNAP would have allowed her to take her kids into a food establishment and provide them hot and healthy food choices. Furthermore, data reveals that 30% of all kids on SNAP in Nebraska live in a household with a member who is a senior or a person with a disability. LB920 provides a solution to the unique challenges these families may face in accessing and preparing meals for their children. It's important to recognize that the barriers faced by these households go beyond financial constraints, physical barriers to preparing food, struggles with safe use of cooking facilities, and the lack of access to both cooking facilities and safe food storage are obstacles that this bill would address. The bill does not replace the traditional use of SNAP at grocery stores, but rather complements it by allowing for purchase of hot meals and overcoming some barriers. By supporting this legislation, you can make a lasting impact on the lives of Nebraska children and families most in need. I would like to thank Senator McKinney for bringing this bill and would respectfully urge you to consider the long-term benefits of this program. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. My question would be, is this-- would the money that would be available be limited to the, the \$40 that we've been on some of the summer food program or is it-- I'm just--

KATIE BASS: Yeah.

RIEPE: I'm only-- where I'm trying to lead on this is it's fairly expensive for any one of us that goes to a restaurant. If you take 2 or 3 kids, you could easily spend \$40, you know, and that might just eat up their whole card's worth or I don't know.

KATIE NUNGESSER: Yeah, really good question.

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RIEPE: Maybe you can expand on that and help me.

KATIE NUNGESSER: Yeah. I'm not sure-- so summer EBT actually would most likely. I was someone that received, like, some of the pandemic EBT and it came on a separate card. It came on these white cards instead of the traditional SNAP cards.

RIEPE: OK.

KATIE NUNGESSER: So I'm sure we can get back to you with how-- if summer EBT would be something that this would work on. But on the regular EBT cards, it's not that \$40. It's based on that family's income and their expenses. So every family's getting a different allotment. One thing I would say is a lot of the families using this program are experts at budgeting and managing their resources. And so I think one of those fears would be, could they spend all their SNAP on restaurant food? And these families know where their limitations are and what they have to get by. And so being someone that's worked closely with families and been in this situation, I think that they would do a good job of managing that. The other thing is they're spending that money anyways at the gas station. So I worked at a homeless shelter and the families that were in emergency shelter had to leave during the day, and they were buying their kids, you know, cookies, crackers, juices, things like that with their SNAP dollars at the gas stations trying to put together meals. And so from what I read on what happens in other states is these prices that restaurants are able to charge using this program are like concession prices. So it might be different than, like, the regular price. And so these families may be saving and actually able to get their kids a chicken breast and some vegetables or a salad as opposed to going in the gas station and maybe having to grab a pop tart or a microwaveable burrito or things like that, so. It just gives families a little bit more choice to make the right choice for their kiddos.

RIEPE: And follow-up question, because I don't know anything about this, I'm going to learn. Would this apply to, like, McDonald's, Colonel, fast food kind of places, too? I mean, what the definition of restaurant. This isn't necessarily a drive-through, but not necessarily a, a very fancy steakhouse or something. I'm just trying to figure out. I'm not trying overmanage it--

KATIE NUNGESSER: No.

RIEPE: --either, but I'm just curious.

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KATIE NUNGESSER: From what I have read, and there may be experts that come after me, but from what I've read is any restaurant can kind of apply to be a part of this--

RIEPE: OK.

KATIE NUNGESSER: --so it doesn't have to be. There are some states that it's easier for some of the national brands because they're already doing this so it's easier for them to roll it out than maybe a mom-and-pop diner. But that doesn't mean it can't happen and that would be part of this. If this gets passed, then there's work that these food justice groups can do to try to get more places and make sure that there's accessibility no matter what neighborhood people are in. And I know that some of you represent really rural areas so trying to educate and bring those smaller town cafes and things like that on board so that you don't have a senior living out in Alliance that doesn't have a place they can use this but someone in Omaha can, so. I think there's some outreach in education if you choose to move this bill forward.

RIEPE: Thank you, Chairman.

HANSEN: Any other questions from the committee? Seeing none, thank you. We'll take our next proponent in favor-- or our next testifier in favor of LB920.

ALYNN SAMPSON: Good afternoon, Chairperson Hansen and members of the Health and Human Services Committee. My name is Alynn Sampson, spelled A-l-y-n-n S-a-m-p-s-o-n. I am the executive director at Matt Talbot Kitchen and Outreach, a dedicated hunger relief and outreach center in our community. I'm here today to express my strong support for LB920, which proposes the inclusion of hot meals at restaurants as an eligible option for certain SNAP beneficiaries. As an agency providing essential food and outreach services to the homeless, I have witnessed firsthand the impact that this legislation could have on improving the lives of those facing food insecurity. Many of our guests facing homelessness lack the means or resources to store healthy foods and cook their meals due to the constraints of their living situations or the absence of necessary supplies. We do provide two hot meals a day, but it leaves many hours of the day that guests cannot access this food. In addition, there are times due to health conditions or weather that a guest cannot reach our dining room. This would give them an option to locate a hot meal closer to them. I would like to share some quotes that I heard from guests when we were talking about this option

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and if it would be beneficiary-- if it would benefit our guests. One guest told me that he's lucky to have his own propane camping stove and a cooler. However, he has to buy gas for that stove and ice for the cooler so he can't always afford to use them. It would be nice to be able to get a warm meal when he needs one, not just when he could afford propane. Another guest expressed the difficulty of incorporating fresh produce into their diet due to the lack of storage and preparation options. He stated: I don't really eat fruits or vegetables as much as I would like because they don't usually last long out in the elements. If I could go somewhere and have a meal that included fruits or vegetables, I definitely would. I just don't have the ability to prepare or cook it myself. A few more guests had other thoughts and I would include those as I wrap up. It's not worth the hassle to try to eat healthy. I can't store anything that has to be kept cold. I can't cook anything that doesn't go into a microwave assuming I can find a microwave to use. I would like to eat healthier and have more options of what I eat. Another guest said it would be nice to have the option to go to a restaurant and eat, just for us to be able to actually sit down and have a meal out of the elements would be nice. LB920 is a practical and compassionate solution to reduce barriers and address the unique challenges faced by those experiencing homelessness, the elderly, and individuals with disability. I urge you to support this bill as it mean-- as a means to enhance the efforts of SNAP in alleviating food insecurity in our community. Thank you for your time and I'm happy to answer any questions you may have.

HANSEN: Thank you. Are there any questions from the committee? Seeing none, thank you very much.

ALYNN SAMPSON: Thanks.

HANSEN: Take our next testifier in support, please. Welcome.

ERIC SAVAIANO: Hi. Good afternoon, Senators. My name is Eric Savaiano, E-r-i-c S-a-v-a-i-a-n-o, and I am the economic-- excuse me, I am the food nutrition access program manager at Nebraska Appleseed. I'm here to testify in support of LB920. You've heard quite a bit about the Restaurant Meals Program at this point. I'll share a couple of more pieces of information and respond to some questions that you've had. All restaurants that participate in this program are-- would apply to the program and then be approved by the Department of Health and Human Services to participate. The meals that they serve through this program are required to be offered at a concessional rate. That is a term of art used with the USDA and, in general, that means that they

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serve these meals 5 to 10% below market rate. One of the states that I researched noted that the average cost of meals was around \$11 per meal when they do attend a restaurant to serve-- to eat those. In general, the SNAP Program serves cold-- or is allowed-- allows cold unprepared foods such as fruit and vegetables, meat, poultry, fish, dairy products, bread, cereals, and snack foods. Hot foods are not included. So take, say, a common thing like a rotisserie chicken, side dishes or sandwiches, they're expressly forbidden by the SNAP Program to participate. However, with the SNAP Restaurant Meals Program, folks are able to receive some of those meals if those participating retailers or restaurants do sign up. I wanted to specify also that for many elderly SNAP recipients who are one of the three categories of people who are eligible for this, food purchases, cooking preparation challenges can be complicated by an inability to carry heavy bags of groceries, maybe open jars, or safely use a knife. Similarly, disabled SNAP recipients or the second group that are specifically allowed through this program, similar challenges exist. And as stated earlier with others, homeless individuals preparing food without clean water or refrigeration is a challenge. One example-- also, I just wanted to have all of us who may not experience these challenges consider a low-cost, high-protein food, such as a can of beans. While eating a can of beans may seem effortless to some of us, it can require the ability to, to go to the store, open a can with a can opener, the ability to operate the can opener, and a heating element to warm it up. Similar things that are challenges for folks might be in-- might happen with frozen chicken, ramen noodles, or fresh fruit. I will close with that and be happy to answer any questions. Maybe one last thing, the two states that I did study-- maybe I should--

HANSEN: You can go ahead and explain.

ERIC SAVAIANO: --I'll just finish. Sorry. So California does a model like this, they have several large retailers like McDonald's, like, some others using this program regularly and that allows it to go up and down California. Massachusetts, however, is running-- they're, they're starting that program, and they have six restaurants participating at the moment in their start-up phase and they're all small businesses. It really is up to the state to decide how they-- how they start the program and run it from thereon. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

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RIEPE: Thank you, Chairman Hansen. I'll try to be quick here. I see some disconnect here because we talked about fresh fruits and vegetables and I frequent McDonald's for a variety of reasons. I've never seen a fresh fruit or a vegetable in McDonald's.

ERIC SAVAIANO: Agreed.

RIEPE: So it's kind of a--

ERIC SAVAIANO: Right. Yeah. So that is a choice that families would have, which restaurant they use. One study that I've seen shows that SNAP participants and the rest of the country SNAP-- non-SNAP participants eat fast food, eat sugary beverages, or have sugary beverages and snack food at the same rates as one another. So, again, I think it boils down to the choices that that family is making depending on the needs of that family and the dietary restrictions they have.

RIEPE: OK. Thank you. Thank you, Mr. Chairman.

HANSEN: Senator Ballard.

BALLARD: Thank you, Chairman. Thank you for being here--

ERIC SAVAIANO: Yeah.

BALLARD: --and your research. I really appreciate it.

ERIC SAVAIANO: Sure.

BALLARD: Just to satisfy my curiosity, would SNAP recipients be able to, to tip on their EBT card? I don't know if--

ERIC SAVAIANO: Great question.

BALLARD: --if, if there's federal guidelines along those?

ERIC SAVAIANO: Yeah, so the answer is no. The SNAP benefits would only be allowed for the food itself.

BALLARD: OK. Thank you.

ERIC SAVAIANO: Yeah, that's explicitly stated in some guidance.

BALLARD: Thank you.

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ERIC SAVAIANO: Yeah.

HANSEN: So from your understanding then, you have to have concession pricing. So would, would you expect then the restaurant who decides to participate in this would have to lower their prices? Like, similar to, like, getting healthcare from Medicaid. You know, we're kind of forced to fall within a certain, you know, cost of care. Would that be similar, like, if they go to a restaurant and the restaurant [INAUDIBLE]-- or, or their contract would say we would normally charge somebody who is not using the SNAP benefits \$5 for a hamburger but we are required by law to charge \$3 for them. Do they have to do that or--

ERIC SAVAIANO: Yeah. So, so also a part of the program is that the restaurants are required to offer the meal at a concessional price, which is lower than market rate, what they're currently charging. And so a \$5 meal, what I found in researching, other states are putting that concessional rate at 5 to 10% below what they used to be charging--

HANSEN: OK.

ERIC SAVAIANO: --and it's their choice. Again, it's a voluntary program for those restaurants to choose to do that.

HANSEN: OK. All right. Any other questions? Seeing none, thank you very much.

ERIC SAVAIANO: Thank you.

HANSEN: Take our next testifier in support of LB920. Welcome.

GLADYS HARRISON: Welcome. I missed the instruction. I assume you want my name?

HANSEN: Yes, if you could spell both your first and last name and then we got 3 minutes for testifying.

GLADYS HARRISON: OK. Thank you. My name is Gladys Harrison, G-l-a-d-y-s H-a-r-r-i-s-o-n. I am the owner of Big Mama's Kitchen and Catering in Omaha, Nebraska. We're a soul food-- a second-generation soul food restaurant and catering service in Omaha, Nebraska, and I am a proponent of this bill. To kind of answer the question that you just asked this gentleman, as someone who has a restaurant, when I-- if you come in a restaurant and eat, for instance, our smoked chicken with

collard greens, piece of cornbread, we have to touch that food a lot to give it to you hot. If I'm able to sell that same meal to you, refrigerate it in a container that you can take home, I can afford to sell it to you at a concessional rate because when I prepped it I put it in a container and that's it. I don't have to pay somebody to take your order. I don't have to pay somebody to bag it up for you. I don't have to pay somebody, you know, to heat anything up for you. It's going right from we cooked it to a container, you're reaching in a refrigerator and grabbing it. How I got into wanting to support this bill, back in 2020 during the coronavirus my sister and I were trying to think of ways that our restaurant could help the community. You know, I could imagine being a mother teaching your kids at home, working from home, trying to do laundry and, you know, all of those things. And I thought, you know, food. How can we help people be able to eat a nutritious meal and still do all of these things? Well, a lot of the people who live in my community where my restaurant is located receive SNAP benefits. And my sister told me, well, you know, there's a pizza place that you can buy a take-and-bake pizza and you can use your food stamp card, SNAP benefits. I'm, like, you're kidding. We should be able to do that, too. So we went through the whole process of, you know, going to the USDA and applying to be able to sell these prepared meals that people would take home and finish off. We got denied. We filled out a-- oh, when someone denies you and you try to get it again-- the word is escaping me-- and got denied a second time and I kind of left it alone. About 6, 8 months ago I was talking to our-- the Congressman for the 2nd District, Don Bacon, and we were just having a conversation about, you know, the concerns, some of the issues that we have in our community and, you know, being a food desert is one of them. Being able to get nutritious meals is a, a challenge for some people in our community. And me being on my own food journey, changing my relationship with food. I've lost 83 pounds in 6 months. And the problem that I found is there aren't a lot of options for folks in my community to get healthy food, right? So I says to him, well, I want to be able to do prepared meals. I says to Don Bacon, I want to be able to do prepared meals and people use their SNAP benefits. I've got elderly people in this community. We have disabled people in this community. You know, I should be able to do it. If they can go to Papa Murphy's and buy a highly processed pizza with their SNAP benefits, they should be able to come to Big Mama's and get a freshly prepared meal-- and, yes, I do have fresh fruits and vegetables at my restaurant-- to do that. And so he's like, well, Gladys, you don't need me to do that. You need to talk to your state senator. You know, the United States Congress has already granted the

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states the ability to decide who they allow to take SNAP benefits and not. So I called up Senator McKinney because I have his cell phone number. He's very responsive. I told him this is what I, you know, want to do. They do it in other states. Him and I got together and not that-- and here we are. So here I am. This is not just good for people that are in urban areas in Nebraska. It's good for people that are in rural areas. There are food deserts all across this state. Right? But one thing Nebraska has plenty of, and that is restaurants and restaurants can help fulfill that food desert need that we have. And not only that, but it can create some jobs. What I'm all about is creating some jobs for people in my community and this is a way that I can see for us to be able to create some jobs to help people pull folks out of poverty who are in my community. Thank you for your time.

HANSEN: Yes. Thank you. Are there any questions? Yes, Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here. I remember when your business was preparing large meals for families. And, first of all, thank you for doing that, for filling that need. Also, I hope it was a helpful, creative way to keep your business afloat during a really difficult time. So you applied to do-- have a-- be able to accept SNAP during that time and you were denied. So all those amazing meals that you made could not be paid for with the, the SNAP benefits. Is that correct?

GLADYS HARRISON: Correct.

M. CAVANAUGH: OK. And for my colleagues, if you don't follow Big Mama's on social media, you should. But it was a large operation.

GLADYS HARRISON: It was, and that was in conjunction with No More Empty Pots--

M. CAVANAUGH: Right.

GLADYS HARRISON: --and then another organization who escapes me. They hired us to prepare those meals for, for people. Yes.

M. CAVANAUGH: I imagine-- and, and, and using coded language, north Omaha, which is black Omaha, north Omaha is a-- it is a food desert. We don't have grocery stores. So having meals like yours available for families to take home and have at-- sit around their own kitchen table with, is really a, a gift. So thank you for your willingness to advocate for that here today.

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GLADYS HARRISON: Thank you.

HANSEN: Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I don't know whether you recall or not, but out at the Rib Shack we had an opportunity to sit and talk one day.

GLADYS HARRISON: Yes, we did.

RIEPE: Yeah, it was a good time.

GLADYS HARRISON: I do remember.

RIEPE: Have you talked to them or other vendors?

GLADYS HARRISON: Yeah, she's here, we rode down here together.

RIEPE: Oh, OK.

GLADYS HARRISON: She's got to come and speak after me because we to get back and cook food. Yeah, we got jobs. [LAUGHTER] We got get out of here.

RIEPE: My next question is, did she bring any ribs? [LAUGHTER]

GLADYS HARRISON: I, I didn't bring any chicken. No, I sure didn't.

RIEPE: Oh-- well, OK. Well-- but-- so you have explored this concept with, with them and with others.

GLADYS HARRISON: And, and other restaurants. I certainly have. Yeah. We didn't get notice of this meeting until, you know, last week. So I didn't have a lot of time because we've been busy to invite other people. But I have gone around and told, you know, other restaurant owners, the folks at Jackson's Take Out, some of my friends in south Omaha, you know, about this particular bill and how it can help, you know, all of our communities.

RIEPE: Well, I know you have a lot of high-name recognition and I, for one, appreciate you coming here today and taking, taking the time. Thank you very much.

GLADYS HARRISON: You're welcome.

RIEPE: Thank you, Chairman.

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HANSEN: Yeah. Any other questions from the committee? Seeing none, thank you very much. We'll take our next testifier in support.

TOM VENZOR: Good afternoon, Chairman Hansen and members of HHS Committee. My name is Tom Venzor, T-o-m V-e-n-z-o-r, the executive director of the Nebraska Catholic Conference. I've got prepared remarks that you'll have in front of you, but I'm going to kind of just summarize and condense. A lot of the information in the prepared remarks are just the incredible increases in food assistance needs we've seen in the last 5 years, particularly because of the pandemic and the fact that a lot of that food assistance need has not tapered off. So it's pretty much been sustained, which means that we have a lot of food needs out there among the people that we're serving. And I think for a lot of the, you know, I speak for us and I know the other food groups have this too, which is, you know, this is-- we're just one touch point where people get food, right? They get food from a lot of different places. They have a lot of different access points. We're only one place where they can get it. We can't fulfill all of their needs and so I think we see LB920 as just a smart, creative way for using the SNAP Program to just have one additional place where people can go get food. I think that was the main thing with our social service people that worked for the Catholic Charities of Omaha and then-- which serves 23 counties in northeast Nebraska, and then Catholic Social Services of southern Nebraska, which serves everything below the Platte River. You know, as you've already heard, you know, you've got your areas of food deserts. And if this can just provide one more place where people might have an opportunity to get a meal, I think that's an important step forward, particularly as you've heard for some of the vulnerable communities that have a harder time accessing food. So that was kind of our main takeaway. This is one important way to just add an additional place for increased food access and we support it for those reasons. And it's a very prudent, I think, economical path forward. And we-- and we, too, hope that a lot of the kind of mom-and-pop places and then also nutritious places where more nutritious food can be had, that those places will pop-up as well through this program. So we appreciate your support for it and thank you for your time.

HANSEN: All right. Thank you. Any questions from the committee? Senator Riepe.

RIEPE: Chair Hansen, thank you. Mr. Venzor, are you shamefully here promoting fish fries--

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TOM VENZOR: Yeah, maybe we can add fish fries to the list of--

RIEPE: --for the church?

TOM VENZOR: --restaurant meals that can be part of this program. So, yeah, there you go.

RIEPE: Just wanted to check it out.

TOM VENZOR: Yeah.

RIEPE: Thank you, sir. Thank, thank you, Chairman.

TOM VENZOR: Exposing all the financial interest I'm trying to gain here, right? So, no.

HANSEN: All right. Seeing no other questions, thank you.

TOM VENZOR: All right. Appreciate it. Thank you.

HANSEN: Take our next testifier in support. Welcome.

RICH OTTO: Chairman Hansen and members of Health and Human Services Committee, I am Rich Otto, R-i-c-h O-t-t-o, testifying in support of LB920 as a registered lobbyist for the Nebraska Hospitality Association, that is the Restaurant Association, we've had hotels join as well and we changed our name a few years ago to hospitality. So wanted to get in the chair, specifically, since Senator Riepe asked where the Association stands on this, we do support it. We are very appreciative to Senator McKinney for bringing this. I don't need to go over the bill in great detail. I think the previous proponents did an excellent job of that. Just to articulate, prepared food is the term. And that is kind of the crux of this as far as what SNAP is allowed. It has to-- prepared food is not allowed. So you either have to microwave it, do something, or it has to be read-- ready to go. Now just to comment quickly on Big Mama's denial under SNAP that was denied. Currently, I believe that the rule is that you have to have over 50% stable product. So her example is correct of a take-and-bake pizza place, their model fits that percentage for them to be SNAP eligible. So there are potentially some restaurants like a take-and-bake pizza place that qualify, but it's based on them having over 50% that basically needs to be prepared at home or in some other facility. So, again, we support it. We think this makes sense for those that basically are unable to prepare their own food and that's what it comes down to. Happy to answer any questions you may have.

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HANSEN: Are there any questions? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I have a quick question. How would you identify participating restaurants?

RICH OTTO: Well, again, as the proponent said, it's voluntary. So the way I read it, typically states have quite a bit of threshold with USDA on how they establish the rules for the restaurants and approving or denying them so they can kind of set the template, the rules. What this rate is that we heard potentially 5 or 10% below, I think Nebraska would have the ability to establish all those rules and parameters. Most likely they would present those and then restaurants would either decide if they wanted to apply and be part of the program or not. Now, tip--

RIEPE: My concern would be as a recipient of the program to not have to be embarrassed to walk into the restaurant and they say, well, we don't participate, so they leave.

RICH OTTO: Oh.

RIEPE: Somewhere or another they have to-- over time they would learn, but sometimes it could be a, a difficult moment.

RICH OTTO: Sure.

RIEPE: Repeated rejection, if you will, of going into restaurant after restaurant that say we do, we don't.

RICH OTTO: Yeah, that-- well, and that and that is-- to give SNAP credit, they have tried to streamline the process within grocery stores and other retailers, convenience stores that take SNAP, where it is an electronic card. It looks like you're paying with a debit or credit card. They swipe it in a terminal that is either programmed with their point of sale or they have a separate stand-alone terminal. Now, I would hope that the list of participating restaurants would get posted so that individuals aren't going in and saying do you accept this and get denied. We do want to have a mechanism where they're-- have the ability to find out about the restaurants that accept the program so that probably is a needed thing. I would think the department would post that or that other of these groups would readily get those lists available and know who, who is actively accepting SNAP benefits in restaurants.

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RIEPE: If you make that a requirement of the department, you've just added two more FTE, full-time [INAUDIBLE] employees.

RICH OTTO: Well-- and-- so I don't want to get-- you know, I know you and Senator Cavanaugh watch fiscal. I thought it was a moderate fiscal note. We don't want to increase the fiscal and I, I think the Restaurant Association-- Hospitality Association and the other groups would definitely work to get appropriate lists out there.

RIEPE: We just want to make sure that we're get the bang for the buck is what we're really--

RICH OTTO: We think this is a great deal for bang for your buck.

RIEPE: I spoke for both of us. [INAUDIBLE]

M. CAVANAUGH: That's all right. I'll allow it.

HANSEN: All right. Any other questions from the committee? Seeing none, thank you.

RICH OTTO: Thank you.

HANSEN: Anybody else wishing to testify in support?

JACKIE ROBBINS: Good afternoon.

HANSEN: Welcome.

JACKIE ROBBINS: Hi, I'm Jackie Robbins with Rib Shack Smoke House. J-a-c-k-i-e, Robbins, R-o-b-b-i-n-s, and I'm here to support and testify. I think this is a great bill, LB920. I think my transplant to Omaha came here because my husband needed a heart transplant. And I'm from St. Louis, Missouri, and we already have this in place. And I think it's a great opportunity to actually support what we already do. We try to give back to the community. So this is a collective way of us on a state level of giving back to the community as well. And I think someone asked about how would you-- I think, Senator, I think you asked about if people would be, you know, embarrassed about how to go about selling their product and we would do on our level of restaurant would be, like, a grab and go. Like a-- like the market, when you go to a grocery store market, we'll have a designated area for food that is already packaged and cold so people would come in, and just like a regular purchase, they would come in and purchase the food and use our POS system to check out. And no one would know or be

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in their business of how they're paying for it or whatever, but I think it would be a great opportunity or a great idea to have a list of people that's-- restaurants that are participating. But I think collectively, I just think that this is an excellent idea for Nebraska to get involved with this. And I'm, I'm just excited to be a part of it so thank you all.

HANSEN: All right. Well, let's see if we have any questions here first--

JACKIE ROBBINS: OK.

HANSEN: --before they start talking about food.

JACKIE ROBBINS: OK.

HANSEN: Maybe I can ask a question.

JACKIE ROBBINS: Yes.

HANSEN: So Mr. Otto mentioned that, I think, 50% of your product then would have to be prepared then, like you said the grab-and-go-type stuff.

JACKIE ROBBINS: Yes.

HANSEN: Is that-- is that reasonable then? You think you-- like, this seems like quite a bit, like half of everything that you have then would have to be available for somebody to grab right away, but that's not--

JACKIE ROBBINS: Well, we already-- how we are-- we're already cook in bulk because we do in volume. We, we cook barbecue and soul food. So our food is already prepared and cooked meals. So we already-- we cook in bulk so we can for the volume, but everything is made fresh for us. So it'll be just a matter of how you package it. So instead of putting it in a, a, a box to serve it out, which is all-- our, our other stuff is takeout anyway, but instead of putting it out to serve someone that's taking it that's already cooked food it would just be a different way you package it. So it'll be packaged in a container that, that will be for people to warm up. So it's just a-- just a matter of just changing how you package the food. So it's really, really easy and simple.

HANSEN: Yeah, makes sense.

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JACKIE ROBBINS: Yeah.

HANSEN: Thank you.

JACKIE ROBBINS: Um-hum.

HANSEN: Any questions?

JACKIE ROBBINS: So you can get mac and cheese--

HANSEN: Oh, here we go.

JACKIE ROBBINS: --or some, some chicken and collard greens and, hey, take it and warm it up, be a great meal. Yeah.

HANSEN: All right. Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I'll make this a question. First of all, thank you for being here, but are your pork ribs as good as ever?

JACKIE ROBBINS: Thank you. Thank you.

RIEPE: That's a little plug for the audience there.

JACKIE ROBBINS: We appreciate you coming to support a local business, family business. So taking time out of your busy time to come support us so thank you.

RIEPE: Thank you, Chairman.

HANSEN: Any other questions from the committee? All right. Seeing none, thank you very much for coming.

JACKIE ROBBINS: Thank you.

HANSEN: Take our next testifier in support, please.

JINA RAGLAND: Good afternoon, Chair Hansen and members of the Health and Human Services Committee. My name is Jina Ragland, J-i-n-a R-a-g-l-a-n-d. I'm here today testifying in support of LB920 on behalf of AARP Nebraska. In 2020, nearly 9.5 million adults aged 50 and older lacked consistent access to enough food for an active, healthy lifestyle due to inadequate financial resources. Food insecurity has significant negative impacts on older adults, particularly on their health. Older adults who are food insecure are more likely than their food secure counterparts to have limitations on activities of daily

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living, have conditions like diabetes and depression, and experience heart attacks. For these reasons, food assistance and options for that for low-income adults-- older adults is essential. Imagine a room randomly-- of people randomly selected from many of our communities around the state. As you look around that room, more than 1 out of 10 people you see are struggling with meeting their most fundamental human needs. Many Nebraskans have limited or uncertain access to adequate food, forcing difficult decisions like having to make trade-offs between healthy food or much needed medicine or paying a heating bill. SNAP is specifically and vitally important to older adults with low incomes, people living with a disability, and individuals dealing with homelessness. The benefits go beyond putting a meal on the table. Participation in the SNAP Program is associated with improved health outcomes, contributes to lower healthcare costs, fewer ER visits, and fewer long-term care admissions to a hospital. Currently, SNAP benefits can only be used to purchase food products that need to be prepared and consumed at home. Thus, individuals on SNAP cannot purchase hot food at the grocery store or at a restaurant with their benefits. As you heard earlier, one example of that is they can't even buy a hot rotisserie chicken at most grocery stores. For most, these restrictions work. But for SNAP recipients who are elderly, disabled, or experiencing homelessness, not being able to purchase food that is already prepared poses a real challenge. These challenges include having physical barriers to preparing the food for themselves, struggling to use cooking facilities safely, and then also even lacking access to cooking facilities and safe and effective food storage. The Restaurant Meals Program addresses these barriers. Because of the regulations established within the program for both SNAP users and potential restaurants, this would not be a widespread, widespread change or increase in the cost of the program but would truly help those individuals who qualify to access already prepared meals which they desperately need. LB920 is another tool in the toolbox to allow older Nebraskans to remain healthy, age in place, and stay at the lowest level of care for longer periods of time. Thank you to Senator McKinney for introducing the legislation and for the opportunity to comment. Please support and advance LB920 to General File. I'd be happy to answer any questions.

HANSEN: Thank you. Are there any questions? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I can't let this one go by because Meals on Wheels has been there for a very long period of time. Serves a lot of people with very good meals. How does that mesh with this particular program?

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JINA RAGLAND: It's a great question. SNAP can be used for Meals on Wheels, but I think it's important to remember, especially in our rural communities, some Meals on Wheels programs don't function every day or they don't deliver if there's a-- if there's bad weather or they don't have enough drivers or something of that effect, that is not always a guarantee, they can sign up, but there's no guarantee that that will be delivered. I think the other problem is, oftentimes, Meals on Wheels only provides one meal a day during the week. Some programs provide it on the weekends or you can purchase an additional meal. But, oftentimes, the general basis of Meals on Wheels is one meal a day. That's usually their lunch meal. So, yes, they're getting one meal, potentially, but there's also the rest of the day and, oftentimes, those meals are very small.

RIEPE: OK. Thank you. Thank you for being here.

JINA RAGLAND: You're welcome.

RIEPE: Thank you, Chairman.

HANSEN: Yes. Any other questions from the committee? Seeing none, thank you.

JINA RAGLAND: Thank you, Senator.

HANSEN: Anybody else wishing to testify in support of LB920? OK. Anybody wishing to testify in opposition to LB920? Welcome.

ANSLEY FELLERS: Thank you. Thank you, Chairman Hansen and members of the committee. My name is Ansley Fellers, A-n-s-l-e-y F-e-l-l-e-r-s, and I'm here in opposition to LB920 on behalf of the Nebraska Grocery Industry Association. We completely understand what Senator McKinney is trying to do and appreciate what the proponents are saying. Some of my members have hot food stations and restaurants and are attached to their stores. Still, we believe with limited funds available we should do our best to ensure SNAP dollars are stretched as far as possible. I wanted to just-- I wrote a few things down and then I took notes because I wanted to mention, one, Senator Riepe mentioned cost-- in-- at \$11 a meal, that's still more than twice a, a meal at a grocery store. Two, there are a lot of to-go items. I think there's this misconception that there aren't prepared meals in grocery stores. Grocery stores have a lot of deli items like sandwiches and salads that do qualify for SNAP, they just don't count toward your staple items' category to be a SNAP retailer, even take-and-bake pizzas.

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Everything you heard today. You can walk into a grocery store and take those things away and they are SNAP eligible. I think the Papa Murphy's example-- Papa Murphy's takes SNAP because they have more than 50% staple items so they are considered a retailer, they are SNAP eligible from-- that's a USDA decision. Restaurants often don't carry a lot of the staple items that my members would. They're also very low-margin items that a lot of people need. You know, breads and fruits and vegetables and meats. Things like that that are not prepared. So you can find all those things in a grocery store. They are SNAP retailers. So in addition to having some of these prepared and convenient items, in order to be a SNAP retailer, you also have to carry these other things. And I think that's the distinction. So to be clear, they weren't rejected because it's a takeaway item, they're rejected because they're not carrying these other staple products. Also, I just wanted to mention quickly that convenience stores and gas stations are less than 6% of SNAP dollars. That's where SNAP-- less than 6% of SNAP dollars go to convenience stores and gas stations so I just wanted to respond to that. If you have any questions, I'm happy to go into detail. Thanks, again, to Senator McKinney. We've talked and, you know, we understand. So thank you.

HANSEN: Any questions from the committee? All right. Seeing none,--

ANSLEY FELLERS: Thank you.

HANSEN: --thank you. Anybody else wishing to testify in opposition to LB920? All right. Seeing none, is there anybody who wishes to testify in a neutral capacity? Seeing none, we will welcome back Senator McKinney to close. And for the record-- we did have some letters for the record, we had 23, 23 letters in support for LB920 and 1 in opposition and 1 in the neutral capacity.

McKINNEY: Thank you and thank you to everyone who came here to testify today on LB920. I think it's a no-brainer in my opinion. I think anytime we can provide more access to just food, period, it's a net positive for our state, especially for our elderly, disabled, and homeless individuals across the state. And, you know, I'm willing to work with the committee to try to get this voted out and figure out a way to get it passed this year. So if you got any further questions after the hearing, please let me know. As far as the grocers, I get their position. I just think, you know, there's areas across the state where grocery stores don't exist and people have to drive miles before they can get to grocery stores and they're using Dollar Generals as their grocery stores, which I don't think is adequate. My district is,

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you know, considered a food desert. I mean, although we have a couple grocery stores, they don't offer the best options for, for some people and public transportation isn't the best in Omaha so it's hard to get to those locations which is why I think this is also important to try to have some places within the community that a lot of these individuals can go. Big Mama's Kitchen was here earlier and there is literally pretty much a senior-- a senior home across the street from her restaurant and she mentioned during the pandemic, a lot of those individuals utilized SNAP and they couldn't afford her meals with, you know, regular dollars but would have been able to afford some, some of those meals with SNAP benefits but they weren't able to. I, I just think, you know, we have to tackle food insecurity from many directions and this is part of the way we could do that and hopefully we can get this passed. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Off the hook there. Nice.

McKINNEY: OK.

HANSEN: All right. Thank you. All right, that'll close our hearing for LB920 and then we will welcome up Senator Day to open on LB946. You cleared out the room, Senator Day.

DAY: Do you want to go?

HANSEN: You can go whenever you're ready. Yeah.

DAY: OK. Good afternoon, Chairman Hansen and fellow members of the Health and Human Services Committee. My name is Jen Day, that's J-e-n D-a-y, and I represent Legislative District 49 in Sarpy County. LB946 would change Nebraska's Child Care Subsidy Program from reimbursement based on day-to-day attendance to reimbursement on enrollment which is the standard practice for childcare centers in billing nonsubsidy program parents. This follows federal guidelines for state programs, which asks states to find parity between private billing and their childcare subsidy programs. As some of you may recall, I first brought this bill in 2021 under LB68, and this change is necessary now more than ever as Nebraska is at full employment which hits providers from multiple directions. I don't need to tell anyone with kids who has had to sit on a waiting list that we're in the middle of a childcare shortage with providers seeing a surge in demand. For many rural areas of the state, even finding a childcare center can be tough which makes sense. When more people work, fewer people are at home. However, with

our state's good fortune of a strong economy we're also putting tremendous strain on our state's childcare infrastructure. A recent survey conducted by Nebraska Extension and We Care for Kids revealed that 84 of the 93 counties in Nebraska are experiencing a shortage of childcare facilities to meet the-- meet the demand. At least 10 counties lack any childcare providers altogether. This scarcity has led to approximately 28% of Nebraska's children residing in areas termed "childcare deserts," where there are either no childcare services available or where the number of children is three times the available childcare spots. At the same time, providers are competing with other employers for the same pool of qualified employees. Talk to any provider and they'll tell you that they're competing with retail stores offering salaries that would have been unthinkable a decade ago. Obviously, this is a sign of a very strong economy that we should be thrilled about, but one that creates challenges in the childcare sector. As a result-- as, as a result, staff costs have gone up and providers are operating on the thinnest of margins. What providers need right now is predictability that day-to-day billing cannot provide. The issue with the current subsidy program is that a provider cannot mirror their staff costs to the unpredictability of the day-to-day reimbursement. So if a child is sick for a week, it's not like staff can be told to go home and forgo pay because they no longer need that specific staffing level. This is why nonsubsidy programs bill based on enrollment. Staffing and facility costs are inflexible even though there's a number of reasons why a child might miss a day of daycare. And while some providers do attempt to navigate this, many providers operate within tight margins and cannot balance this patchwork of reimbursement against their limited attendance slots and fixed costs. As a result, many childcare providers end up declining to serve those in the Child Care Subsidy Program. Having our state childcare subsidy structured in a way that disincentivizes participation of providers undermines the main objective of the program, which is to make it easier for parents to find and maintain childcare so that they can continue employment. This has real cost to our state. First Five Nebraska found that as a direct result of childcare instability, parents in Nebraska forgo \$639 million annually of income and businesses lose \$731 million of employee productivity. This also keeps a projected 3,300 Nebraskans out of the workforce. Before I conclude, I want to highlight a white copy amendment that we're bringing to the committee. AM2622 clarifies language in the bill, specifically that the enrollment payment applies to the hours authorized by DHHS. This would give guidance regarding those in the program, but only part time, so kids that might only attend a few days

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a week or for half days, excuse me. If you compare the fiscal notes for this bill and LB68, you'll see this one is significantly higher. The LB946 fiscal note assumes that we'd reimburse daily full-time attendance for all part-time enrolled children, which was never our intention. This just clarifies that it would be payment on enrollment of the hours authorized by HHS, and this would put us near the LB68 fiscal note which is attached to your fact sheet. LB946 is a relatively simple change, but one that provides game-changing predictability for providers and brings our Child Care Subsidy Program into better alignment with practices that they're already using on the private side. You'll be hearing from some providers today who can better speak to the challenges that the current program presents. But with that, I am happy to try to answer any of your questions.

HANSEN: Thank you. Are there any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator Day. The fiscal note--

DAY: Yeah.

M. CAVANAUGH: Sorry. I hadn't looked at it. They assumed that we would be reimbursing part-time kids as though they were full-time kids?

DAY: Yes. All part-time kids. Correct.

M. CAVANAUGH: So you brought an amendment--

DAY: To clarify that that was not our intention. Yes.

M. CAVANAUGH: I wanted to reiterate that because this seems to be a pattern--

DAY: Yes, it does.

M. CAVANAUGH: --this year--

DAY: A consistent pattern.

M. CAVANAUGH: A very consistent pattern that HHS needs us to clarify how to do their job for them in statute--

DAY: Yes.

M. CAVANAUGH: --before they can have a reasonable fiscal note. I would like to, for the record, note that that's not a partisan issue. They

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seem to do it across the board to everyone and it is concerning that this pattern is continuing. So thank you for bringing your fiscal note from 2021. Thank you for bringing this bill. This bill makes me think of a comment that you made back in 2021 that you and your husband used to own a gym and your gym membership, you don't charge based on how much people show up.

DAY: Correct. Because as a small business owner, there is no way for us to run a small business and still provide the facility and pay all of the bills that we needed to pay if we were to have some kind of inconsistent type of billing like what happens in our Child Care Subsidy Program. So-- and we hear this from providers as well that, again, they will either opt out of providing care to families that utilize the childcare subsidy or they just-- they really struggle to keep their doors open because of how this program is paid for by the department.

M. CAVANAUGH: Well, thank you.

DAY: Yes.

M. CAVANAUGH: I appreciate that and I appreciate you bringing clarification to how DHHS should do their job.

HANSEN: All right. Any other questions? Seeing none, see you at closing. We'll take our first testifier in support, please. Welcome.

ANAHI SALAZAR: Hello. Thank you, Chairperson Hansen and members of the Health and Human Services Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm the policy coordinator for Voices for Children in Nebraska in support of LB946. Children thrive when they have consistency in their daily lives, attending the same childcare provider being an important routine. Shifting from payment based on daily attendance to enrollment helps childcare providers keep their programming. Childcare programs operate on tight budgets from staff salaries, salaries to rent. Voices for Children in Nebraska supports LB946 because it updates the Child Care Subsidy Program by paying their providers based on enrollment, helping create stability for childcare providers and families. Making this change would help ensure programs accepting subsidy payment have a sufficient and stable income stream. Paying by enrollment is an equitable, equitable approach. It ensures that providers receive compensation even when children are absent. Children often miss days due to sickness or early childhood appointments for a myriad of reasons. Payments based on attendance not

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only penalizes providers for setting necessary health guidelines, but can have negative effects for families. Providers can drop or decline to serve families that might have inconsistent attendance. This change would allow childcare programs to find stability and prevent permanent closures. Providers who serve children with subsidies also have fixed costs. Payments by enrollment may encourage providers to accept more children with subsidies, knowing that they have a stable source of funding for those spaces, thus creating an increase in access in high-demand populations such as infants. When childcare programs offer regularly scheduled hours to their workforce, they are able to retain educators. Paying rates based on enrollment can provide the stability that providers need to run a, a financially sustainable program, decreasing turnover and helping improve quality. Creating financial predictability to strengthen our childcare workforce also benefits families by increasing access to care by experienced and consistent educators and reducing turnover. Enrollment payments also allow for flexible scheduling options beyond just full-time and part-time arrangements, supporting a full range of parent choices. Childcare providers play an important role in nurturing young minds and supporting families in the state workforce. Predictable and stable streams of-- streams of income can increase supply by attracting new providers to enroll children with subsidies. We thank-- want to thank Senator Day for her work in making childcare more accessible and the committee for listening. I'm available for any questions.

HANSEN: Thank you. Are there any questions from the committee? Are there other states that do something similar to this, do you know?

ANAHI SALAZAR: Yes, there are and I don't have them listed off the top of my head but there are other states that have done this.

HANSEN: And the ones that do-- because I guess, ultimately, the, the goal would then be able to bring down the cost of childcare. You know, in essence, right, you know. Have you seen other states-- like, have they-- have they seen a decrease in the cost of childcare when implementing something similar to this, do you know?

ANAHI SALAZAR: I don't know that, that-- that that has been the outcome. I know that it has been-- that there have been more choices for families that use subsidies in order to have access to childcare, but I'm not sure about the cost.

HANSEN: Just curious. OK. All right. Thank you.

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ANAHI SALAZAR: Yep.

HANSEN: All right. And thank you for coming to testify.

ANAHI SALAZAR: Thank you.

HANSEN: Take our next testifier in support, please. Welcome.

CHAD BRYANT: Thank you. Find the right sheet here. Chairman Hansen and members of the Health and Human Services Committee, my name is Chad Bryant, C-h-a-d B-r-y-a-n-t, and I am the director of Christ Lutheran Childcare in Norfolk, Nebraska. Today, I am here in support of LB946. This bill requires enrollment-based billing to the Child Care Subsidy Program, and in doing so matches the standard practice in the field. Enrollment billing at the beginning of a week of care has long been a standard practice. In billing this way, you ensure the business has the funds it needs to operate, cut down on collection concerns, and allow providers to make informed decisions on weekly operations. The Child Care Subsidy Program maintaining this antiquated billing system puts provider enrollment in danger. As any business would, we must look at the value of maintaining subsidy enrollment when our participation does not align with our standards for quality and effectiveness. The subsidy program has taken-- has recently taken steps to alleviate the issue in introducing absentee days for the program. Unfortunately, this still falls short. In a previous letter to this committee, I stated that methodologies used to figure rates with-- will cost Christ Lutheran Childcare \$15,000 a year-- this year alone. The practice of attendance billing adds an additional \$5,000 to this total, bringing the cost of participation in the program to a staggering \$20,000 for one center. Christ Lutheran Childcare prides itself on being a community-minded-- on being community-minded which is why we have maintained our enrollment in the Child Care Subsidy Program up to this point. Without changes, we can no longer commit to participating in a program that helps to solidify the workforce in, in our Nebraska communities. The impacts of attendance-based billing on staffing may be even more detrimental than the financial one. At the core of our Nebraska "childcares" are the people. These people come in day in and day out and they love their jobs, but they deal with a myriad of issues. Suffice it to say that the daily care of children does not come without challenges. One of those challenges they should not have to deal with is maintaining a steady income. To be successful using attendance-based billing, a childcare provider must maintain strict staffing ratios. When student enrollment allows, a director must send staff members home in an effort to align the center's income

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with its costs. This means that a staff member that is planning on 40 hours a week would be on a roller coaster of income. Sorry, I missed this place-- this part here. And in my experience that these people do not want to ride this roller coaster of, of, of-- in this situation and they will get off as soon as they possibly can. Consistency is at the very core of quality childcare and attendance-based billing guarantees that you will not accomplish it. Nebraska-- Nebraska's working families need to know that they can expect a consistent, caring environment which is built on and sustained by early childhood caregivers. Attendance-based billing flies in the face of this expectation and needs to be put to an end. I would ask that you give LB46 [SIC] your utmost consideration and appreciate Senator Day for introducing this bill. Thank you.

HANSEN: Thank you. Any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thanks for being here.

CHAD BRYANT: Yes.

M. CAVANAUGH: So the \$15,000 a year, that's basically a loss is, is the difference between what you would get from a, a full-paying child and a subsidy kid.

CHAD BRYANT: That's correct. And that's based on how rates are figured in different areas and the methodology-- methodologies used to do that.

M. CAVANAUGH: Sure. So first of all, thank you for making that sacrifice for your organization so those kids have a place to go during the day. The additional \$5,000 that you're talking about is what you would not be able to collect in billing because we do attendance versus enrollment--

CHAD BRYANT: Right.

M. CAVANAUGH: --and what you talked about with the staffing. So when you have a lower attendance, do you end up sending staff home?

CHAD BRYANT: So we do not operate within this kind of program right now. For the most part, our families are self pay and we-- our, our, our, our families do pay on a regular basis. We do accept subsidy and we do have some attending that way. But we make the sacrifice to say, hey, we're going to keep our staffing in place during that time

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because we are not going to operate a quality business without them in place.

M. CAVANAUGH: Right. So I was going to say-- I mean, assumedly, if you did have to opt to, you couldn't afford to keep them there if you--

CHAD BRYANT: Right.

M. CAVANAUGH: --couldn't bill for, for the time. \$5,000 is a lot if it's-- if it's, like, the same staff person, they-- their-- potentially, their salary could be \$5,000 less a year.

CHAD BRYANT: Right. Right.

M. CAVANAUGH: That's pretty significant.

CHAD BRYANT: That's a huge gap.

M. CAVANAUGH: Yeah.

CHAD BRYANT: Yeah.

M. CAVANAUGH: So-- well, thank you for being here for testifying and for operating your business.

CHAD BRYANT: Thank you.

HANSEN: Senator Riepe.

RIEPE: Thank you, Chairman Hansen. My question would be this, do you have any employers that participate, not necessarily in full reimbursement, in partial reimbursement for their employees so that they can have some guaranteed status for their businesses?

CHAD BRYANT: There are things being worked on like that in Norfolk and, and things coming down the pipeline like that. But, currently, there may be some businesses that are participating in a program like that but don't currently-- but I don't know of them currently.

RIEPE: OK. I know in the hospital business, we actually [INAUDIBLE] staff to get personnel, many of them moms--

CHAD BRYANT: Right.

RIEPE: --who were nurses and so--

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CHAD BRYANT: Right.

RIEPE: --there's a cost to business [INAUDIBLE].

CHAD BRYANT: Yeah, there are some very exciting things happening coming down from Norfolk but, currently, they're still in the works like that.

RIEPE: OK. Thank you. Thank you, Chairman.

HANSEN: I got one more question.

CHAD BRYANT: Yeah.

HANSEN: Do you see a lot of involvement-- like, like a-- almost like an investment or from private business, you know, to help maintain, like, your facility or to help with childcare costs?

CHAD BRYANT: So we are part of a, a church group and so we do have that kind of investment. I, I, I don't see it on a standard basis. But we do have that opportunity just from our membership that, that participates in helping in assisting us. And there is a desire there, but not necessarily a system for that support.

HANSEN: Yeah, I think it was one of the bills that we're actually talking about today is the idea of how the state can be involved in making sure children are taken care of so people can either work or stay home or vice versa and then what role, maybe, private business plays in that or what they could play. Because a lot of time the chamber and the private business come to us and they're, like, we need childcare so we can have people work.

CHAD BRYANT: Right.

HANSEN: But maybe we can have, like, a public-private partnership type thing where everyone kind of gets involved to help take care. So that's one-- that's one of the reasons I was asking some of the questions because we were actually just talking about that today on the floor, so.

CHAD BRYANT: All right.

HANSEN: All right. Thank you--

CHAD BRYANT: Thank you.

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HANSEN: --very much for your testimony.

CHAD BRYANT: Yeah.

HANSEN: Take our next testifier in support of LB946. Welcome.

LIZ ARNOLD: Thank you. Chairperson Hansen, members of the Health and Human Services Committee, I appreciate your time today. I am here to support LB946. My name is Liz Arnold. I'm an in-home family childcare provider in northwest Lincoln. My program is actually rated Step 5, which is the highest we can get. I want to thank you, Senator Day, for recognizing this issue of inequitable billing practices is a very important part of our childcare crisis. I believe that every child matters and they deserve universal access to high-quality early care and education. I do not believe only those lucky enough to be born into a financially stable home should be gifted a safe, happy, and stable early childhood. I think it's our responsibility as a community to provide the resources for providers, families, and children to not just survive, but thrive. I am proud to accept subsidy despite all the drawbacks. I am in the minority. Recent data shows that over 56% of family "childcares" will not accept it, as well as 30% of centers declining to serve the state as a client. This is not because providers don't care, it's because we can't overcome the barriers and we can't assume the financial burdens. The survival of my business and the quality of my care are directly tied to 8 income earning spots. Due to current subsidy rules, I take a loss of income for every subsidy client I accept. My private pay families are charged a flat weekly fee regardless of attendance and that allows me to have a consistent, predictable income. And I am able to use an automated payment program so I don't have any paperwork involved in getting paid. Subsidy guidelines require me to take a loss on any days that I close for things like state swim on Friday or providing testimony here today. I continue to take a loss for families hit with a sickness and they're out more than 5 days. That's really easy to do if you have a couple siblings and that it goes through the whole family. I am required to maintain attendance calendars and I have to physically bill for each child. This increases the time it takes for me to get paid and increases how long I have to work. I just finished my 2023 reports so I can give you some real numbers. I have two families that have kids about the same age and missed about the same amount of days. So family A is private pay, their year-end total is \$12,000. Family B is a subsidy client. I received \$8,246.80 for their care. That is a loss of 32% to my bottom line. That's hard to do as an in-home private business. I believe sick children deserve the comfort of being at

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home. I believe a parent has a right to keep their kid home from daycare if they've worked all week and this is the day they get to see their children. I think if grandma comes to town, grandma should be able to see the kid for the day and not have the family suffer financial consequences. I believe if you want to go on a vacation as a family, you have that right and not have to pay for that. I do not believe that if you receive subsidy or if you accept subsidy that you should be financially penalized. This is an empowerment issue, it's a fairness issue, and this is an equality of opportunity issue. By advancing this bill, LB946, I believe we'll see an increase in provider participation. I think we'll have an increase in access for subsidy clients that can only be good for our children. Thank you, again, for your time. I have included my contact information and I'm happy to answer any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thanks for being here. So you have 8 spots in your in-home childcare and you could-- if, if this bill were enacted, you can have all 8 of them be subsidy kids and you would not operate at the loss that you do currently.

LIZ ARNOLD: Right, I currently have 3 of 8.

M. CAVANAUGH: And if you had 8 of 8 currently, you would be making 32% less--

LIZ ARNOLD: Yes.

M. CAVANAUGH: --on average.

LIZ ARNOLD: Yes.

M. CAVANAUGH: That's pretty significant for a small business.

LIZ ARNOLD: It is.

M. CAVANAUGH: Well, again, thank you for, for taking subsidy kids because that is more a labor of love than anything and thank you for being a childcare provider.

LIZ ARNOLD: Thank you.

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HANSEN: Any other questions from the committee? Seeing none, thank you.

LIZ ARNOLD: Thank you.

HANSEN: Anybody else wishing to testify in support to LB946? Welcome.

MIKE BIRD: Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Mike Bird. For the record, that is M-i-k-e B-i-r-d. I am the president and CEO at Children's Respite Care Center, or CRCC. CRCC is a nonprofit based in Omaha. We provide comprehensive educational, nursing, behavioral health, physical, occupational, and speech therapies for nearly 600 children with complex medical and developmental needs, as well as typically developing children at 2 Omaha-based centers and metro area public school sites. On behalf of CRCC, I want to thank Senator Day for bringing this bill and for her strong commitment to advancing sound early childhood policy. We respectfully ask the committee to support LB946. At CRCC, we have the privilege of serving children with profound and persistent medical and developmental needs. In 2023, 119 children in our day health program presented a unique primary diagnosis. That's 119 unique diagnoses for these kids. We are able to sustain our critical work thanks in part to a strong partnership with the state of Nebraska. Nearly 80% of the clients we serve utilize state assistance in the form of Medicaid A&D Waiver, Comprehensive DD Waiver, and childcare subsidy. We are grateful for this opportunity to work with the state in service to our clients and families, and I specifically want to thank DHHS for the 5-day billable absences allowance policy change. That said, attendance only payment policies continue to act as a-- as a significant disincentive for providers to serve families receiving state subsidy. We base our staffing on the approved hours for kids in this program. While we do everything we can to adjust staffing throughout the day based on attendance, our staff need as much consistency in their hours as possible as you've heard from several other, other testifiers or, or we lose them. The situation is only heightened in the case of the medically and developmentally complex population we serve at CRCC. Approximately 30% of our day health clients receive subsidy and those-- and of those, 70% are classified as special needs. Given the complex needs of our kids, and by extension, the complex schedules of their parents and guardians, frequent absences from care are the norm. During the first 6 months of 2023, our average absentee rate for children receiving state subsidy assistance was 23%, resulting in \$149,000 in lost revenue. And this number doesn't take into account sunk staff and

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operational costs. Further, attendance only payment policies create a significant administrative burden and present staffing challenges that can disrupt continuity of care and education. CRCC is proud to participate in the Child Care Subsidy Program and we are committed to continuing to serve families supported through this program. However, participation presents a significant financial and operational challenge, and there's no question that the current attendance-based payment system acts as a disincentive to enrolling children with special needs. I respectfully ask the committee to take a hard look at LB946. I understand that it represents a significant investment from our state and the quality of the care and-- for the kids that we serve is, is imperative. Thank you for the opportunity to testify. I'm happy to answer any questions.

HANSEN: Thank you. Are there any questions? Senator Riepe.

RIEPE: Thank you, Chairman. I would first like to say that you have operating centers in both Senator Cavanaugh's district and in my district so--

MIKE BIRD: Yes.

RIEPE: --we appreciate that. If you can just get the kids to vote, that would be-- [LAUGHTER]

MIKE BIRD: Well, we've got to keep them in our centers then.

RIEPE: Oh, yes, yes, and grow them up--

MIKE BIRD: Yes.

RIEPE: --and indoctrinated.

M. CAVANAUGH: Into which way? [LAUGHTER]

RIEPE: Conservative Republicans because we'll feed them properly. My question is-- serious question is this, because it does deal with children it has a certain appeal for fundraising. Are you-- do you have a fundraising foundation function?

MIKE BIRD: We do. So we're a \$7 million budget and we recoup about \$5 million or over \$5 million in our operations so annually we raise \$2 million. Interestingly, 5 years ago, that number was about-- it was less than \$500,000.

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RIEPE: Good for you.

MIKE BIRD: Yeah. So the interesting challenge with this is that as the needs go up and, and our payment opportunities stay consistent we put that on the backs of donors.

RIEPE: OK. Well, raising \$2 million is not an easy task.

MIKE BIRD: Yes.

RIEPE: Thank you very much.

MIKE BIRD: Thank you.

RIEPE: Thank you, Chairman.

HANSEN: Senator Cavanaugh.

RIEPE: A rebuttal?

M. CAVANAUGH: I, I would never even dream. I am term limited, though, so I don't-- I don't need any votes. You-- thank you, first of all, for being here.

MIKE BIRD: Of course.

M. CAVANAUGH: And you mentioned about it being expensive to the state. Depending on who you ask, it's either \$2.6 million or \$26 million. But it sounds like you at your organization are already having to raise that money--

MIKE BIRD: Yeah.

M. CAVANAUGH: --from private donations. And, as my colleague and friend to my left, not politically, but physically to my left--

RIEPE: Well, thank you.

M. CAVANAUGH: --you're welcome-- would-- has said in the past that the government, it's-- there are certain things that are the responsibility of the government and when it comes to handling and caring for medically fragile children that, I think, we can agree falls under that umbrella of our responsibility. So the fact that you have taken on the \$2 million fundraising gap is very much appreciated and hopefully we as a Legislature can partner with you and your organization to bridge that gap a little bit more. I do have a

question somewhere in here. OK, so we've got the 23% results and \$149,000 in lost revenue. You mentioned the 5-day waiver, and I remember that happening, I don't remember when that happened. Is that 149 loss, would it be greater-- was the waiver already enacted?

MIKE BIRD: That includes the 5 days.

M. CAVANAUGH: OK, so it could have been greater.

MIKE BIRD: More. Right.

M. CAVANAUGH: OK.

MIKE BIRD: Yes. Yep.

M. CAVANAUGH: So it's only 149%-- 49,000 [SIC] lost because of the 5-day waiver.

MIKE BIRD: Right.

M. CAVANAUGH: It would be significantly--

MIKE BIRD: It'd be greater.

M. CAVANAUGH: --more without the 5-day waiver. So first of all, great that they did that. Your, your costs are, are, are fairly fixed. I mean, you have staff that you-- that rely on the job, as we heard from the previous testifier, and you're, you're a larger facility so I'm going to ask you some more of these questions because we've had a significant issue with backlog of fingerprinting, getting people hired, onboarded into the positions. So you can't-- you as an organization cannot afford to not have people paid for their work even if you don't need them that day. Is that accurate?

MIKE BIRD: It is very accurate and, and as the previous testifiers have said the, the continuity of care and having the same-- as a parent, I love having-- being able to know my child is going to see the same person there in the morning and, and I'm going to be able to have that conversation with the same person and the more transitions. And so we similarly-- to the previous testifier-- we do not-- we, we minimize cutting hours for staff based on-- we try to, to manage it to the best that we can to not be overstaffed at times. But when you're dealing with sick populations and, you know, particularly coming out of a pandemic, medically fragile, there's a lot of days out and that's reflected in the difference between the 5 days and the 23%.

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M. CAVANAUGH: Right. And you were here on a previous bill, I think it was Senator Day's bill, about-- or, no, I'm sorry, it wasn't-- it was Senator Fredrickson's bill that we moved forward today.

MIKE BIRD: Yes, today. Thank you.

M. CAVANAUGH: So that bill about the workforce and allowing the workforce to have slots in the childcare facility is just another one of those recruitment tools. So I just bring that up as an opportunity to highlight the great work that CRCC is doing in maintaining a workforce, especially when you're dealing with medically fragile children having that continuity is really important. So thank you for your work and thanks for being here today.

MIKE BIRD: Appreciate it.

HANSEN: Senator Riepe.

RIEPE: Thank you, Chairman Hansen.

M. CAVANAUGH: Are you going to rebuttal?

RIEPE: I don't have the strength for it. [LAUGHTER] Given Senator Fredrickson's bill and you mentioning that you have children, will you be able to take advantage of taking your children in there--

MIKE BIRD: I-- as of right now, I--

RIEPE: --or are they in college?

MIKE BIRD: They're in-- they're in, in elementary school so I'm-- I, I pay my before school and after school to the Millard Public Schools.

RIEPE: OK.

MIKE BIRD: But-- so as, as it's written now, I believe that it is only for [INAUDIBLE] in, in LB856--

RIEPE: OK.

MIKE BIRD: --for folks that are registered, which would be more of the front line.

RIEPE: But you might have some workers that would qualify.

MIKE BIRD: Absolutely.

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RIEPE: My other-- and, and I'm-- a hospital administrator is my background. My question is, do you provide health insurance-- a health insurance plan?

MIKE BIRD: I appreciate that question. We do provide for any full time. So anyone that works 30 hours a week, we provide health insurance, opportunity to participate in a matched 401k, and other benefits as well. So we've-- we have invested about 30% additionally in the last 18 months into our staffing and that's been to increase pay and the benefits across the board.

RIEPE: When you say benefits across the board, does that include paid time off or sick time?

MIKE BIRD: It does.

RIEPE: So it's a-- it's a fairly good program then.

MIKE BIRD: Yep.

RIEPE: OK. Thank you. Thank you, Chairman.

HANSEN: Yes. Any other questions? All right. Seeing none, thank you for coming.

MIKE BIRD: Thank you, Senator Hansen.

HANSEN: All right. We'll take our next testifier in support, please. Welcome.

AMANDA NIELSEN: OK. Hi. My name is Amanda Nielsen, A-m-a-n-d-a N-i-e-l-s-e-n. What you are being passed out is an extended version of what I'm going to be saying. I am the program director for Northbridge Early Childhood Development Center, or ECDC, run by CEDARS Youth Services. I'm here in support of LB946, which provides payment through the federal Child Care Subsidy Program to childcare providers based on enrollment rather than attendance. The mission of CEDARS Youth Services is to help children and youth achieve safety, stability, and enduring family relationships. We provide an array of services throughout Nebraska, including four programs here in Lincoln that are eligible to receive payment through the Child Care Subsidy Program. In 2023, Cedar served 244 children in these childcare programs, 41% of which received childcare subsidy. The Nebraska Chamber of Commerce notes in a policy brief on childcare that gaps in services led to over \$731 million in lost business productivity in our state. CEDARS is

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committed to providing high-quality childcare services to working families to be a part of bridging that gap. LB946 also helps address this gap by removing a specific barrier for childcare providers, and instead would allow providers to rely on consistent and stable reimbursement for families that participate in the subsidy program. This bill recognizes the ongoing cost of running a childcare center, regardless of the day-to-day attendance of an enrolled child. Whether or not a child is attending our childcare center on any given day, we have held a spot for that child and invested in the infrastructure to provide a first-class education. If a child comes to our facility through a private pay family, we rely on that family paying us per day that their child is enrolled. That same payment policy only makes sense to families participating in the subsidy program. A model in which providers are only reimbursed when a child attends care creates a significant disincentive for providers to serve families receiving the subsidy due to financial loss sustained when a child is absent. As a mission-driven organization, CEDARS works hard to ensure that our services are accessible and affordable. Allowing reimbursement based on enrollment rather than attendance will be-- bring stability to subsidized services. For our childcare centers missing reimbursement even for a few days for a few families in these situations can impact our bottom line. Prior to the COVID pandemic, our ECDC experienced an average net loss of \$35,000 per year due to missed attendance from families participating in the subsidy program. By moving to a pay-per-enrollment rather than a pay-per-attendance model, LB946 alleviates the primary barrier to providing high-quality childcare for low-income families. We urge the passage of this small change that will make a big difference in our ability to say yes to providing care for Nebraska's working families. Thank you for your time and I'm happy to answer any questions you may have.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I note in your remarks and in your handout here that-- the average of \$35,000 per year loss. Do you have a foundation? You are here in Lincoln, is that correct?

AMANDA NIELSEN: Yes. CEDARS Youth Services.

RIEPE: Do you have a-- yes, CEDARS. Do you have a foundation? Are you able to raise some private money as well?

AMANDA NIELSEN: Yes. So we do rely on CEDARS Foundation to--

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RIEPE: OK.

AMANDA NIELSEN: --cover some of that cost, but recognize not every program has that. And we do have several programs in our organization, so.

RIEPE: From a personal standpoint, I think it's important to us to be helpful but it's also important to know that agencies, if you will, are working very diligently to raise money as well to get the community engaged. OK. Thank you, Mr. Chairman.

HANSEN: Seeing no other questions, thank you. Anybody else wishing to testify in support? Welcome.

KATIE BASS: Thank you. Chairman Hansen and members of the Health and Human Services Committee, my name is Dr. Katie Bass, spelled K-a-t-i-e B-a-s-s, and I'm the data and policy research advisor representing First Five Nebraska, a statewide public policy organization focused on supporting policies that promote the early care, education, and healthy development of our state's youngest children. I want to thank Senator Day for introducing LB946 requiring subsidy reimbursement based on a child's enrollment. The previous testifiers have done a great job outlining the difference between private pay families and the, the payment process for subsidy. So I want to take just a couple minutes and outline how this policy has changed in Nebraska over the past few years. So prior to 2020, Nebraska was one of 44 states that used an attendance-based system to reimburse providers who delivered childcare services to families through the childcare subsidy. However, during the pandemic, children were in and out of childcare due to illness or exposure to COVID-19 or related factors. This created significant disruptions in the revenue streams of providers offering subsidized care, destabilizing the industry and leading to program closures. As a result, every state that did not already allow providers to bill for subsidy based on enrollment adopted either this system or something very similar during the public health emergency. So in Nebraska, we did that with Governor Ricketts' Executive Order 20-18, which temporarily enabled providers serving subsidy-eligible children to bill for enrollment rather than attendance. When Executive Order 20-18 expired on July 31, 2021, new regulations went into effect that allowed providers to bill for up to 5 absent days per subsidy-eligible child per month. This was an important first step in "delinking" provider rates from attendance. However, as the childcare providers who testified here today have shown, it is important to move the industry fully toward enrollment-based billing. Should Nebraska

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take this step, we would join 22 other states that chose to permanently adopt enrollment-based reimbursement policies after the pandemic because of their importance to the sustainability of the childcare industry. And I have a map of those states on the back of the handout I provided, but it does include Mississippi, Louisiana, Kansas, Tennessee, Texas, and Wyoming, to name a few. An additional 12 states, including Alabama, Iowa, and Oklahoma, enacted absence-based policies beyond the 5 days allowed in Nebraska. So in some states that might be 10 days, it may be 7 days, but it's more than the 5 we currently allow. These states recognize that "delinking" provider reimbursement from attendance improves access to childcare for subsidy-eligible children and it enhances the early childhood infrastructure for all children of working parents. So with that, my time is up but I'm happy to answer any questions that you may have and we hope this committee will advance LB946.

HANSEN: All right. Thank you.

KATIE BASS: Thank you.

HANSEN: Are there any questions from the committee? Senator Riepe has none so thank you very much.

KATIE BASS: All right. [LAUGHTER] Thank you.

HANSEN: All right. Anybody else wishing to testify in support of LB946? All right. Seeing none, is there anybody who wishes to testify in opposition to LB946? All right. Seeing none, is there anybody who wishes to testify in a neutral capacity? All right. Seeing none, we will welcome Senator Day back up here. And we did have some letters for the record, we had 19 in support of LB946 and 1 in the neutral capacity.

DAY: OK. So I think in terms of the committee's perspective on this bill, I have brought this bill before, and I think we need to keep focus on the same things that we've been talking about. Number one, childcare is a workforce issue, right? If we're talking about families who utilize the childcare subsidy, we're talking about low-income families. Childcare centers are opting out of providing care for families that participate in the childcare subsidy. What that means is low-income families, who are the families that we surely want to be going to work so they can work themselves out of needing to utilize the childcare subsidy, do not have access to childcare-- adequate access to childcare so their kids have no place to go during the day

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and, therefore, they cannot go to work. That's a problem. That's one of the things that we're trying to fix here. Spots are limited as they are in childcare centers, let alone spots that are available for families that use, use the childcare subsidy. These are the families that we want showing up to work consistently every day, right? When we talk about making sure that we are trying to give those people a hand up, this would be one way that we can make sure that we're doing that. Number two, the other issue that we consistently hear about is a workforce issue within childcare itself in terms of finding qualified workers, making sure that they have stable and consistent employment, making sure that they're not sent home on certain days because their employer cannot afford for them to be there that day. This is another solution to that problem. So workforce altogether is one of the things that we need to make sure that we are paying very close attention to as a state in general. And I think that this bill, as I have brought it in previous years, is one of the easiest and low-cost ways that we can start to address part of that issue for low-income families, especially. OK.

HANSEN: Thank you.

DAY: Thank you.

HANSEN: Any questions from the committee? Seeing none, thank you very much. All right, that'll conclude our hearing for LB946, and then we will welcome up Senator DeBoer to open on LB1350.

DeBOER: I feel like I'm starting to make a habit of this.

HANSEN: Yeah. Welcome back.

DeBOER: Hello, Chair Hansen and members of the Health and Human Services Committee. My name is Wendy DeBoer, W-e-n-d-y D-e-B-o-e-r, and I represent the Legislative District 10 in northwest Omaha. I'm here today to introduce LB1350. This summer, you may recall I introduced LR150 to examine the gap in services such as emergency shelters and transitional housing for individuals experiencing domestic violence and human trafficking in Nebraska. Members of the committee will remember the hearing in December. While we know safe and affordable housing is an issue Nebraskans face across the state, LR150 highlighted unique barriers faced by survivors of domestic violence, human trafficking, sexual assault, and stalking. Housing requests from survivors have increased much more quickly than existing funding can provide. Due to the demand, some organizations have relied

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on long waitlists where victims could wait for many months before they get provided housing. Nebraska has one of the lowest shelter request rates in the country, and despite best efforts, Nebraska was unable to meet 5,772 shelter requests from 2018 to 2022. The Legislature has always done great work to support our survivors and we know that there is no substitute for the level of safety emergency housing can provide. There are services provided for emergency and transitional housing in Nebraska and funding is often provided through federal grants or even through private philanthropy. But as I was looking at ways to support these services, I discovered that we lack any statutory definitions for emergency or transitional housing. Thus, I introduced LB1350. LB1350 with the amendment, which I think you've had passed out to you, does two things pretty simply. First, it provides definitions for emergency shelter and transitional housing. We didn't currently have those. It provides those definitions. The federal definitions alone aren't quite able to capture essential services provided specifically to survivors of domestic violence and human trafficking. So as such, LB1350 defines emergency and transitional housing as (a) aligning with the federal definitions and (b) defining these services as providers-- provided to survivors of domestic violence, sexual assault, human trafficking, and stalking. So that's the definitional side. Second, LB1350 with the amendment permits-- gives permissive authority to the Department of Health and Human Services to conduct a study to gather information on barriers organizations face when providing emergency or transitional housing services to collect data on requests for emergency or transitional housing and operational costs these organizations undertake. I'll note that the department already tracks this data through previously existing reports, but they don't have it sort of consolidated because of the lack of definitions. So the purpose is to consolidate the information to be more accessible for the Legislature should the department choose to conduct the study. So I believe having this data would be helpful to us as policymakers to know the real needs that exist in this state with regard to these two types of housing. We can and should continue to do more to support survivors of these horrendous circumstances and I believe LB1350 provides us a good start on that mission. Thank you for your time. I'm happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee? Senator Hardin.

HARDIN: Forgive me because I-- my computer ran out of juice.

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DeBOER: Oh, no.

HARDIN: Fiscal note.

DeBOER: It shouldn't have any. No.

HARDIN: Shouldn't have any? Oh, OK. Thank you.

DeBOER: Um-hum.

HANSEN: Senator Riepe.

RIEPE: Thank you, Chairman. I have two questions. First one is how do you spur this across the state? I could see it more in the metropolitan areas where you have higher concentration of population or, or does this apply to rural? My second part of this is what do we currently do? How do we currently-- these, these situation-- this situation exists out there. How do we currently-- are there agencies or is there-- what's, what's out there?

DeBOER: So first I'll say that those are good questions and ones I'm happy to talk about but not necessarily completely pertinent to the bill in that the bill itself will-- won't provide services, won't-- you know, I'm not asking to provide for services, expand services, anything like that. I just want to do a study,--

RIEPE: Oh.

DeBOER: --potentially, to look at is there a gap? What-- how big is the gap? Before we would sort of leap into the sphere and try to provide services, I want to know where we're at.

RIEPE: OK.

DeBOER: So that's-- now as far as what's out there already and who does it and how it's done, I'm going to defer you to the people behind me because they're going to-- I would say something wrong and they're going to not say something wrong. So they would know more to be able to answer those questions. But, really, where I'm at right now is we need to look at what the gap is. We know there, there, there probably is a gap, but I don't know the scope, the nature, all of those things. That's what I want to know more about before we would intercede further. And so that's why we're defining it also so that we can have an accurate study of exactly what the gap is.

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RIEPE: Do you see this as a recess interim study or is it more sophisticated--

DeBOER: So I did last--

RIEPE: --than that?

DeBOER: Last year, I did a study, but I think we need to have-- so when I say a study now, I mean hopefully at some point the department would find that they would like to do this study. This gives them permissive authority to do it, to really dig more into what the gaps are. And I think that's going to have to be something that comes from the department rather than from me and my office. We sort of went as far as we could.

RIEPE: These things never seem to happen without some external consultant of some kind. Do they have a slush fund that they can pull from?

DeBOER: That I don't know, we gave them permissive authority so that if they don't have the money they don't have to do it. But we're saying, hey, might be a good thing to start on so we can start to get some information about where our gaps lie and what we can do.

RIEPE: Fair enough. Thank you. Thank you, Chairman.

HANSEN: Yep. Any other questions from the committee? Seeing none, see you at close, maybe?

DeBOER: I'm sorry, I can't. I got to get back to Judiciary.

HANSEN: That's just fine. All right, so we'll take our first testifier in support of LB1350. Welcome.

MELANIE KIRK: Thank you. Good afternoon, Chairperson Hansen and members of the-- of the Health and Human Services Committee. My name is Melanie Kirk, M-e-l-a-n-i-e K-i-r-k. I'm the legal director for the Nebraska Coalition to End Sexual and Domestic Violence. The Nebraska Coalition to End Sexual and Domestic Violence is the support agency for the 20 direct service providers across Nebraska who provide services and shelter to survivors of domestic and sexual violence and their children. These 20 providers collectively cover all 93 counties. We are supporting LB1350 as a step towards honoring the significant challenges with emergency shelter in our state and commit to continue to work with Senator DeBoer in future years to build on this and

further address the issues. Every program in our network provides emergency shelter which looks different depending on where you are across the state. It can look like traditional communal housing in which multiple families stay in one place, it can look like apartment programs that are rented out to place survivors and families short term, and it can look like hotel and motel stays in their communities. Shelter can last anywhere from 1 to 2 nights, to longer lengths of 30 to 60 days in communal and apartment housing. All programs provide for the basic needs of the individuals in shelter while they're there, including food, toiletries, personal items, clothing, etcetera, in addition to providing assistance with protection orders, finding temporary housing for their pets, safety planning, and a host of other areas of advocacy. In 2018, our network of 20 direct service programs provided 34,000 shelter nights to a total of 2,118 survivors and their children. In 2022, our network provided 41,134 shelter nights for a total of 2,082 survivors and their children. This is an increase of 18% in shelter nights over this 5-year period. The numbers of survivors stayed relatively the same, with around 2,100 total individuals each year. We believe the increase in shelter nights is in large part due to the housing crisis in our state and an inability to find affordable housing or even housing at all. We are seeing survivors stay in shelters significantly longer and moved to other towns and states to find housing when they can and housing that they can afford. Although some of the programs offer transitional housing programs in addition to emergency shelter that allows survivors to stay longer up to 2 years, these programs are actually the exception and not the rule. The number of requests for shelter that could not be met increased 45% over the same time frame, from 732 requests unmet in 2018 to 1,335 requests unmet in 2022. Many of our programs have or are currently expanding their shelter options to meet this need. However, shelter is typically their most expensive cost. Maintenance on facilities has increased significantly and the security required for them, such as panic buttons and security cameras, is increasingly more expensive. Individual scattered across-- individual scattered site apartments are often considered the best option. However, they can be the most expensive, and they require a lot of time and staffing to provide the level of support that they need. The need for shelter has always outpaced the availability, but conditions are getting worse. If survivors can't access safety, they are forced to stay in their home where they and their children are being harmed. And if once in shelter they cannot access safe and affordable housing to leave shelter, then the cycle perpetuates itself. The need to develop solutions in this issue is crucial and LB1350 is a first step towards this. Economic

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security is the single most important factor for survivors of domestic and sexual violence to find safety and move forward. Housing is arguably the most important piece of this and we hope that you will take this into consideration for future priorities of this Legislature.

HANSEN: Thank you for your testimony.

MELANIE KIRK: Yes.

HANSEN: I was just kind of looking over the bill a little bit here. So if we add, in your opinion, an emergency shelter and traditional housing to the Health Care Facilities Licensure Act, would they fall under a lot more rules and regulations then?

MELANIE KIRK: So I believe that the amendment addresses that where they--

HANSEN: It's a license require-- or maybe it's the cost?

MELANIE KIRK: Yes. I believe that they moved it as part of the amendment so that it wouldn't fall under the healthcare licensing. I believe that that-- that is my understanding of what they did with the amendment.

HANSEN: OK. I'm just making sure I got it straight, so.

MELANIE KIRK: Yes.

HANSEN: OK.

MELANIE KIRK: We were concerned when we originally read that, that that might be a concern, so.

HANSEN: OK. Senator Hardin.

MELANIE KIRK: Yes.

HARDIN: Question for you. Have you seen an increase and, if so, what kind of increase have you seen in single moms and kids, particularly since COVID?

MELANIE KIRK: So one of the things that we have seen is that right at the beginning of the pandemic we saw numbers go down as everybody was in lockdown. And then right about a year into it, we saw numbers significantly increase. And what we believe that we were seeing is

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that things got worse for survivors during COVID. They were locked down, everybody was in one place, and there was not very many places for them to go. And when they sought help, they at times found that there weren't resources available. We provided resources to as many survivors and as much as we could with capacity, but we weren't-- we aren't always able to meet need because we simply don't have the ability to do that. One of the problems that we see-- when you say single, single parents, many people who are individuals who are coming into our programs are coming from a two-parent household and will-- are still, still considered married while they're working through this. The problem comes with finding housing immediately after that crisis period, getting individuals and their, their children out of that crisis housing into the next step. If that housing is not available at a reasonable cost, you think about going from one family with one household. When a family separates, there's two households that need to be sustained. So that's a piece of that that is more complicated and if-- as housing costs are increasing for everybody across the state, and that's, that's true for individuals who are looking for emergency housing after they come out of an abusive relationship as well. I don't know, did I answer your, your question?

HARDIN: Gives me a feel for it.

MELANIE KIRK: OK.

HARDIN: Thank you.

MELANIE KIRK: OK. Thank you.

HANSEN: Any other questions? All right. Seeing none, thank you.

MELANIE KIRK: Thank you so much.

HANSEN: We'll take our next testifier in support of LB1350. Anybody else wishing to testify in support? All right. Is there anybody wishing to testify in opposition to LB1350? Seeing none, is there anybody who wishes to testify in a neutral capacity? All right. Seeing none, for the record, we did have some letters for LB1315 [SIC]. We had 1 letter in support. And so Senator DeBoer waives closing so that will end our hearing for LB1350. And we saved the best for last and welcome Senator McDonnell to open on LB1100. Go ahead.

McDONNELL: Thank you, Senator Hansen and members of the committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. This is the third time I'm

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sitting here before this committee to set up a Ground Emergency Medical Transportation, or GEMT, Program in Nebraska. Over 23 states have implemented similar programs to address the funding gap in reimbursements for public providers from the federal and state payers, Medicaid and Medicare, for critical emergency medical services transports by the public EMS providers. Most of the EMS providers responding to 911 calls in Nebraska are public providers who are either municipal based or organized to serve rural communities. In 2017, I introduced LB578, which passed and the Governor signed on a, a vote of 41 to 7 not present-- present, not voting and 1 excused. The state's Medicaid program subsequently relied on a narrow interpretation of the bill to submit a plan to the Centers for Medicaid-- Medicare and Medicaid Services, CMS, that they knew CMS would not approve. CMS even offered a modification to the plan that the state Medicaid program submitted that CMS would approve. However, the state's Medicaid program declined to modify their plan. In 2019, and now again today, I'm here with, with what could be explained as a technical cleanup bill, which would require the state Medicaid program to again implement a GEMT Program under the methodology that CMS will approve. It bears noting that the state Medicaid program could start a GEMT Program without legislation. The state could submit the plan to CMS, and the state's municipal and rural providers could start receiving funding that aligns with their, their actual cost to help sustain the critical services they are providing Nebraskans when medical emergencies arise. However, over the years, the state Medicaid program has cited different impediments, including antiquated claims, processing systems to delay GEMT. While our neighbor states including Kansas, Missouri, Colorado, and Iowa have all realized the methodology that will work for them to help fund their public EMS providers through GEMT for programs approved by CMS. In total, at least 10 more states have started GEMT programs since the program was first approved by our Legislature in Nebraska. In simple terms, GEMT programs allow the public-based fire and rescue departments to complete cost reports with-- that verify expenses specific to their local agencies in recognition that these public providers have funding gap in the cost to provide the services over what Medicaid and Medicare will pay. The enhanced reimbursement made through the federal fund is based on the cost reports and flows back through the state Medicaid program to the departments who complete and submit the cost reports. The costs across the country and in our state, there are for-profit companies that also provide EMS transportation service. These private for-profit providers are not eligible for GEMT. In all GEMT programs, the state has kept whole in any cost it has in administering the program. The bill also

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further requires that there be no impact to the state's General Fund. When a 911 call comes in, our, our state's first responders are not able to decide if they want to respond based on the patient's ability to pay or what insurance they might-- they may have and rightfully so. The first responders just go and help. This means that there are many times when there is no reimbursement for the services provided. Even when the emergency care and transfers are for the patients and Medicare and Medicaid coverage, the reimbursement rates fall well below the actual cost of providing the services creating an additional gap in funding. The GEMT Program is, again, very simple and it means to address this gap for public providers in recognition of the underpayment by federal and state payer-- player-- payers. In closing, I want to reiterate that I'm straightforwardly trying to help our first responders and we are fully committed to working with this Medicaid program on a solution for GEMT through LB1100. The providers behind me who have and will from-- after me will-- have been faced with soaring costs in equipment medical, medical expenses, medications and vehicles in recent years and have limited resources, including taxpayer funds in most cases with restrictions on the growth of municipal budgets, budgets. They critically need additional funding to even just sustain their current service levels and saving the lives of Nebraskans across the state. GEMT will help address these funding needs in a manageable and fair manner with no cost to the state of Nebraska. So as I stated in my opening, in 2017, LB578 was my priority bill. Based on the need throughout the state at that time, we were looking at \$10 to \$12-- \$10 to \$12 million of reimbursements. And that's going to the idea of if a, a volunteer fire department wants to participate, if the city of, of Omaha wants to participate, the idea that those dollars come back into the training replacement of, of the, the equipment used, it actually helps our public safety going forward. At that time, we had 13 other states that had tried-- that had implemented a Ground Medical, Medical Transportation Act [SIC]. So it got to the point with the Department of Health and Human Services that it was like the old saying, if you want to get an A and your kid in school, move over to your right and copy off the other kid. The point is that we had 13 other states that had put it in place and we couldn't find a way to-- after the Governor had signed the bill, we couldn't find a way to do the paperwork right to help the citizens of the state of Nebraska? So this is my third, third time bringing it back. But if you look at LB578, this is pretty much an amendment asking the Department of Health and Human Services to please follow through-- Medical Transportation Act here in the state of Nebraska.

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HANSEN: All right. Thank you. Are there any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator McDonnell. I feel like I've seen this show before a few times. Your bill-- that there's a lot of bills that will come that are sort of evergreen. They come, we work on them, they come again. Yours is so unique because it passed and you are trying to introduce legislation to enforce legislation. So just want to clarify that for some of our-- my colleagues here that haven't been-- haven't been privy to this conversation before. So my question for you is, have you had any conversations with the current administration? Are we-- is this necessary or will they uphold the law as it is and move forward with this?

McDONNELL: Yes. Thank you. Yes, the new director, Corsi, had a good conversation with, based on trying to explain the, the history and told him about this bill that we were going to have a hearing. And, at this point, I believe we're going to continue to have those discussions, but it was a-- it was a good discussion. And I, I believe that they're sincere on trying to help our state with the Ground Emergency Medical Transportation.

M. CAVANAUGH: OK, so there's a, a potential that they will just do what they already can do because we passed a law to make that possible?

McDONNELL: Well, in the conversation, of course, they were new. He's new.

M. CAVANAUGH: Sure. Yeah.

McDONNELL: Trying to get the history and, and making sure that he understood what we've gone through since 2017 and where we're at. To say that we have an agreement, that's not the case.

M. CAVANAUGH: Right.

McDONNELL: But he definitely was interested and I believe he understood the dilemma.

M. CAVANAUGH: Senator Riepe loves when they just apply for waivers anyway, so.

RIEPE: Yeah.

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M. CAVANAUGH: He doesn't like them to go through the legislative process. I'm going to speak for him because he spoke for me earlier today. Thank you, Senator McDonnell.

HANSEN: I got a question. So who-- if we don't do this, who typically bears the cost of this then? Is that cities, is that counties, is that--

McDONNELL: Currently, the, the, the cities, the, the-- there's-- the volunteer departments, the citizens of Nebraska are, basically, bearing the cost.

HANSEN: OK. All right. OK. Seeing no other questions, you'll stick around for close?

McDONNELL: Yes. Yep.

HANSEN: All right.

McDONNELL: Thank you.

HANSEN: We'll take our first testifier in support of LB1100.

DAVE ENGLER: Good afternoon, Senator Hansen and members of the Health and Human Services Committee. For the record, my name is Dave Engler. That's D-a-v-e E-n-g-l-e-r. I'm the fire chief for the city of Lincoln and today I'm speaking in support of LB1100 on behalf of both the city of Lincoln and other fire agencies throughout the state. I will try to provide some background on how LB1100 would provide some relief to first responders, local taxpayers, and Nebraskans statewide. Briefly, the Nebraska Medicaid program-- Medicaid program currently reimburses for ambulance transports at a rate that is significantly lower than the cost to provide the service, which means that departments like mine must charge the other non-Medicaid patients more to cover the costs from the underpayment. Almost half of LFR's transports around-- which equals about \$10,000 per year, are for a Medicaid recipient, which creates a multimillion dollar deficit in reimbursements. The Centers for Medicare and Medicaid Services, or CMS, has recognized this and has allowed states to set up programs to allow for public or municipal-based and volunteer fire departments, for the most part, to submit cost reports to be reimbursed for at least a portion of their costs to help offset the underpayment providing some relief to local taxpayers and other patients. These GEMT programs are set up to flow through the state Medicaid programs. At least 23 states have implemented a, a similar program with other states working towards

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establishing programs as well. At least 8 states have implemented programs since the initial GEMT program was provided-- was approved by the Nebraska Legislature in 2019. Most of these states have a managed care delivery model and they are running the programs using less than full time-- less than a full-time employee. The initial GEMT bill passed included FTE for DHHS as well. This challenge that the funding gap presents is not unique to my department or even Nebraska's providers. Communities across the country are losing their ambulance services not only due to economic hardship the gap funding creates when combined with the soaring costs in recent years of equipment and also staffing shortages, which further compound the ability to sustain service levels and further create the costs of providing services. The programs are possible because there is also recognition at the federal and state level in these 23 other states for the value of initial EMS treatment, transport-- the, the value that EMS treatment transport has on definitive care. Definitive care is a term used to describe medical care that makes a difference in terms of patient outcomes, which is the same focus for managed care delivery models. Outcomes are measured on percentage of patients that survive a medical emergency, the level of care provided in the hospital, the length of hospital stay, how much treatment was, was needed after discharge, etcetera. My department closely tracks its performance related specifically to cardiac care measures, for example. In summary, we want to fully acknowledge that the-- that Medicaid programs are--

HARDIN: If I can encourage you to, to wrap it up fairly quickly.

DAVE ENGLER: Yep, I'm, I'm stopping or--

HARDIN: Thanks.

DAVE ENGLER: --I'm, I'm slowing down. But I guess, in summary, I just want to acknowledge that these are complex Medicare-- Medicaid programs are complex. But we have an opportunity to bring money back to our EMS systems and, therefore, we'd like to see this implemented to better the emergency medical care throughout the state.

HARDIN: OK. Thank you.

DAVE ENGLER: Yes.

HARDIN: Questions? Can I ask one?

DAVE ENGLER: Yes.

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HARDIN: To give us kind of a scope of-- shall we call it the workload and, therefore, the deficit load? Do you have kind of a percentage of how many of the responses might be Medicaid related? And, therefore, each time that takes place, we understand that it's significantly below-- you're paying each time significantly less on those. Of the responses that happen,--

DAVE ENGLER: Yes.

HARDIN: --how many of those are-- would you percentagewise, and just take a guess as to how many of those are Medicaid oriented?

DAVE ENGLER: I don't have to guess. It's, it's about 50%,--

HARDIN: Half.

DAVE ENGLER: --maybe just a little bit higher.

HARDIN: OK.

DAVE ENGLER: Yes. And that's why this is significant for this.

HARDIN: Yes. OK. Thank you.

DAVE ENGLER: Yeah.

HARDIN: Appreciate that. Any other questions? Seeing none, we appreciate you being here.

DAVE ENGLER: Thank you.

HARDIN: Thank you. Next proponent to LB1100. Welcome.

ROBERT ENGBERG: Thank you. Committee members, good afternoon. Robert Engberg, R-o-b-e-r-t E-n-g-b-e-r-g. I'm here today as part of the Papillion Fire Department, Battalion Chief of the EMS division for that department. I'm also the fire chief of rural department in Sarpy County, Springfield Volunteer Fire Department. I'm going to talk about some numbers today that pertain specifically to the Papillion Fire Department. Papillion covers an area in Sarpy County that includes the cities of Papillion and La Vista, as well as the Papillion Rural Fire District. We have an MFO, we cover all three of those entities. 80% of our responses are EMS and 20% are fire related. In 2023 we transported 3,102 patients. Of those, 296 were Medicare, which is roughly about 10% of our transports. In that year, we collected \$80,657 from

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Medicaid. So although 10% of our transports are Medicaid, that only amounted to 5% of our total EMS revenue. Our department relies on our EMS revenue as part of our annual budget. It makes up 11% of our budget. So we, we do rely pretty heavily on that. If this bill passes, we calculate we would receive an extra \$52,000 in Medicaid payments to help offset taxpayers in our district with that budget. The handout that you have kind of shows some of the rates that we have, how it compares Medicare to Medicaid and what that difference is. And as you can see by this chart, that the rates are pretty significantly lower with Medicaid than they are with Medicare, especially when you get down into your ALS 1 and ALS 2 type calls. So the difference between those two, an ALS 1 type emergency call would be, say you start an IV and you run an EKG on somebody, that would constitute an ALS 1 call. What would escalate that up to an ALS 2 type call, OK, you start this IV and run your EKG, you see some cardiac issues, now you have to give some medicine or some kind of electrical therapy or anything like that. It's just a higher level of-- not a higher level of care, you're just doing more interventions. And as you can see, Medicaid pays the exact same rate based on ALS 1 versus ALS 2, even though an ALS 2 call could be significantly more expensive. So in summary, as you can see, you know, we're a medium-sized department in Sarpy County, the passing of this bill would considerably help our bottom line in our budget. Thank you.

HARDIN: Thank you. Any questions? Senator Riepe.

RIEPE: Yes. Thank you, Chairman. My question, you have columns here with Medicare and Medicaid, do you have-- do you receive payment from commercial insurance?

ROBERT ENGBERG: Yes, we do.

RIEPE: Oh, you do? OK.

ROBERT ENGBERG: Yes.

RIEPE: The other question I would have is looking at expenses. When you pick up a patient do you take them to the nearest hospital, like the hospital there on 370 Highway or if they ask to go to the Med Center do you take them there?

ROBERT ENGBERG: We typically try to go to the closest hospital. We do have a policy of the hospital choice. Sometimes the closest hospital isn't the best hospital for them. For instance, you talk about the

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hospital on Highway 50-- or Highway 370 and 84th Street. Midland's Hospital, they are not a definitive stroke care hospital. They do not have a cath lab. So if somebody needs a heart cath, we have to go to a different hospital which is further away. And by us taking them directly to that hospital with the definitive care, it saves time for the patient and it, ultimately, saves money because now they're not paying for two transports. It's only one.

RIEPE: But you have to make the decision whether you-- from your professional perspective of--

ROBERT ENGBERG: That's correct.

RIEPE: --that's what they're going to have to have.

ROBERT ENGBERG: Correct.

RIEPE: That's a split decision because sometimes--

ROBERT ENGBERG: It is. It can be sometimes. Yes.

RIEPE: --it can be pretty tough.

ROBERT ENGBERG: Yes.

RIEPE: OK. Thank you.

ROBERT ENGBERG: Um-hum.

RIEPE: Thank you for being here. Thanks for what you do.

ROBERT ENGBERG: Thank you.

HARDIN: \$52,000 and change in additional revenue is what you were pointing out. I'm just guessing that that's a position-- you're one position down every year because of that.

ROBERT ENGBERG: We're, we're-- yeah, yeah.

HARDIN: OK. How are you staffed?

ROBERT ENGBERG: How are we staffed right now?

HARDIN: Are you well staffed or--

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ROBERT ENGBERG: We're, we're-- full staff, we're supposed to be at 63, right now, we're at 60.

HARDIN: OK.

ROBERT ENGBERG: We're, we're starting the hiring process right now.

HARDIN: I see. OK. Any other questions? Senator Riepe.

RIEPE: I have a follow-up question. I think one of the roles that you oftentimes may have to play is with an obese patient, you have to go into the home or apartment to help to get them up.

ROBERT ENGBERG: Correct.

RIEPE: Do you get to charge for that?

ROBERT ENGBERG: No.

RIEPE: So that's a freebie.

ROBERT ENGBERG: That's a freebie.

RIEPE: OK.

ROBERT ENGBERG: Like, like a lift-assist type call. I'll pick on, grandpa fell down. He needs help getting back into his wheelchair type call.

RIEPE: Sure.

ROBERT ENGBERG: Yeah, we don't charge for those.

RIEPE: Oh, OK. OK. Thank you.

ROBERT ENGBERG: You bet.

RIEPE: Thank you again. Thank you, Chairman.

HARDIN: OK. Seeing no other questions, we appreciate you being here.

ROBERT ENGBERG: Thank you.

HARDIN: Thanks. The next proponent for LB1100. Welcome.

GARY BRUNS: Good afternoon, Chairman Harmin-- Hardin and members of the Health and Human Services Committee. My name is Gary Bruns, that

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is G-a-r-y B-r-u-n-s, and I am here representing the Nebraska Professional Fire Fighters Association, which advocates for 1,400 paid firefighters, EMTs, paramedics across the state. I'm also a veteran firefighter with the Army Reserves, having served in Operation Iraqi Freedom, and a 21-year veteran fire apparatus operator with Lincoln Fire and Rescue. Our Association has stood in solidarity with our management teams and our volunteer partners on LB238 and LB578 and are here again today supporting LB1100. As Nebraska's frontline defense, we find it imperative that DHHS pursue every funding source available so we can continue to provide the high-level services Nebraskans have come to expect. That closes my testimony. I'll take any questions if you have it.

HARDIN: Thank you. Questions? They're letting you off easy today.

GARY BRUNS: Thanks.

HARDIN: Next testifier for LB1100. Welcome.

JERRY STILMOCK: Good afternoon, Mr. Vice Chair, members of the committee. My name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska Volunteer-- Nebraska State Volunteer Firefighters Association and the Nebraska Fire Chiefs Association. That membership comprises over 9,000 volunteer men and ladies serving as volunteer firefighters and volunteer rescue personnel throughout the state. We believe it covers about 85% of the geographical region of Nebraska outside Omaha, Lincoln, Grand Island, and several others. The gentlemen that have already testified could tell you where those career or paid departments are at. You're staring in the face of the volunteer firefighters speaking with you this afternoon, please. We were here on the other, other two bills. Hopefully, trifecta is a charm by Senator McDonnell, given it's his exit this year, at least for the Legislature. It's just that, what everybody has said, it's filling the gap. We have a funding source, federal government, it's sitting there. It's ready to be grabbed the way I can grab that sign in front of me. We need a boost. And based upon the leadership of Senator McDonnell, I believe the legislation in LB1100 is that boost. A couple of questions have come up. I'd like to address those if I may, and quickly. Well, in a volunteer department, if you happen to have lived or your parents have lived in a small community you know that the volunteers-- as, as all professional firefighters and EMTs do, they try to take care of themselves. But when it comes to financing, it's how are you gonna pay for that ambulance? And let me suggest there are one of four ways.

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Increase property taxes. We're, we're seeing what's happening across the state and within this house of increasing property taxes. Go to bonded indebtedness. How are we going to pay for those? Increase property taxes. The volunteers out soliciting, fundraising, donations, contributions, encouraging people to do something in their last wills or their, their, their trusts. Or finally, having the ever famous for volunteer departments, fundraisers, pancake feeds, dances, golf tournaments. We're not shy about asking, but I guarantee you, and I said it before, and pardon me to belabor the point, street departments don't go out and do fundraisers for their utility trucks. It's the volunteers across Nebraska, across the country that continue to do that to try to take care of what, not themselves, their patients, the people they're caring for. I looked-- it's my understanding a mechanical cot, something that you would assume would be-- well, it has to be included in every ambulance. A mechanized cot is anywhere from \$16,000 to \$25,000 per unit. A, a, a, a standard, nonmechanical cot, you know, \$1,500 to \$5,000. So the expenses are significant, but when the, the money's there, I, I would encourage you to grab it and support the legislation LB1100 and find a vehicle in addition to LB1100 to do something yet this year. Senators, thank you. I'll conclude my comments.

HARDIN: Thank you.

JERRY STILMOCK: Sir.

HARDIN: Questions? Can I ask one?

JERRY STILMOCK: Yes, sir, of course.

HARDIN: What's going on out there in the way of grant opportunities? I bring it up because a wise person on the other side of the state brought this suggestion to me in this space and it was about applying for federal grants as a small volunteer fire department to get really, really nice equipment that they would then lease. They can lease that equipment out for significantly large fires that go on regionally. And so I'm just throwing that out. I realize it's not something that can work everywhere and in every situation but kind of bringing up a fifth lane, if you will,--

JERRY STILMOCK: Sure.

HARDIN: --of potential streams of ongoing revenue, if you will, because they lease those trucks for an astounding amount of money.

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JERRY STILMOCK: Yeah. It-- it's that last item of which you spoke of, you bring it into the volunteer fire-- volunteer rescue department and then you lease it out. I'm not familiar with that.

HANSEN: Yeah.

JERRY STILMOCK: I can speak a little bit on the grants.

HARDIN: We'll talk later.

JERRY STILMOCK: And that's fair. Yes.

HARDIN: Yes.

JERRY STILMOCK: The, the grants are-- look, number one with, with grants. We, we don't have the backing of, of Chief Engler and his staff in order to do that in a volunteer department, it falls upon the chief that went out at 2:00 in the morning, gets up at 6:00 in the morning to go to work.

HARDIN: Right.

JERRY STILMOCK: It falls upon the chief or somebody that's, that's geared or maybe they raised their hand or maybe they weren't at the meeting and they say, well, let Stilmock do it because he wasn't here, let him apply for the grant.

HARDIN: Right.

JERRY STILMOCK: And so they're [INAUDIBLE].

HARDIN: It's exhausting, all of it.

JERRY STILMOCK: Well, I'm not, I'm not bemoaning the, the role of the-- of the volunteers compared to the gentlemen that, that have spoken previously, has made their careers serving us at Lincoln and Omaha and those other-- those other communities. No way, no how. But, but those grants are out there, but it takes effort, it takes people--

HARDIN: Right.

JERRY STILMOCK: --in order to, to get them served--

HARDIN: Right. And, and, and doesn't in any way--

JERRY STILMOCK: --and I appreciate your invitation to talk otherwise.

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HARDIN: --remove the legitimacy of what Senator McDonnell has been bringing to the plate for many years so I'm not, not meaning--

JERRY STILMOCK: 2017 is a long time to be sitting in the--

HARDIN: --not meaning to diminish it from that perspective, just thought I would bring up another piece for the record.

JERRY STILMOCK: Pardon me for speaking over you. Yes, sir.

HARDIN: Oh, not, not at all. So any other questions? Thanks.

JERRY STILMOCK: Members, thank you.

HARDIN: Next proponent to LB1100. Come on down. Going once, going twice. You only get twice, not a third time. How about opponents to LB1100? Welcome.

JAMES WATSON: Well, thank you and good afternoon. My name is James Watson, J-a-m-e-s W-a-t-s-o-n, and I'm the executive director of the Nebraska Association of Medicaid Health Plans, which represents all three managed care entities contracting with the state of Nebraska to provide Medicaid coverage to the most vulnerable Nebraskans. And those entities currently are Molina Healthcare of Nebraska, Nebraska Total Care, and UnitedHealthcare Community Plan. Our Association opposes LB1100 as written because of a couple of things. First of all, it would carve out EMS services from the package of benefits that we provide already and we're being paid to cover. And the national trend appears to go towards broader coverage. Excuse me. So more than two-thirds of all Medicaid beneficiaries nationwide receive their care through comprehensive risk-based MCOs, including GEMT, which has been part of the Medicaid managed care program for over seven years in Nebraska. So the comprehensive managed care models do a couple of things for a state. First of all, they increase budget predictability, which is very important. Every time you look at the state budget, you'd like to know what is coming up. The other thing that they do is constrain Medicaid spending while at the same time improving access to care. But when you carve services out, such as is being done in LB1100, you take away one of the tools that a state Medicaid agency has to control its costs to increase budget predictability and improve access to care. So, in short, when the services are covered or taken out, the advantages to state Medicaid programs that I just mentioned go unrealized. In fact, Nebraskans have added dental program in this last bidding to ensure that coverage is as comprehensive as possible.

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We're also concerned as an Association that carving out an important subset of services leaves us without a complete claims history needed to support our efforts of care management, which is important and does impact people's lives on a daily basis. In summary, we believe that providing exceptional care to our members while simultaneously being good stewards of Nebraska taxpayer dollars are the top priorities of the Managed Care Organizations, and a holistic view of our members and their health needs are paramount in achieving those goals. And I'd be happy to do my best in answering any questions.

HARDIN: Thank you. Questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thanks for being here. Did you share your concerns with Senator McDonnell in advance of today's hearing?

JAMES WATSON: Did not. I haven't spoken to him about it and I'm happy to speak to him about it. I should say that for sure.

M. CAVANAUGH: Yeah, I think that would be appreciated.

JAMES WATSON: OK.

M. CAVANAUGH: As legislators, we always want to have the strongest version of public policy. So hearing the opposition, it's helpful to get it in advance but I'm happy that you're here to share it today. Thank you.

JAMES WATSON: OK. My pleasure.

HARDIN: Great. Any other questions? Seeing none, thank you for being here.

JAMES WATSON: Thank you very much.

HARDIN: Anyone else in opposition to LB1100? Welcome.

MATTHEW AHERN: Good afternoon, Vice Chair Hardin and the members of the Health and Human Services Committee. My name is Matthew Ahern, M-a-t-t-h-e-w A-h-e-r-n, and I'm the interim director for the Division of Medicaid and Long-Term Care within the Department of Health and Human Services. I'm here to testify in opposition to LB1100, which would require Ground Emergency Medical Transportation, or GEMT, services to be carved out of managed care, create a supplemental reimbursement program, and further require that GEMT services be paid on a fee-for-service basis. Existing statute required the department

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to submit a state plan amendment to Centers for Medicare and Medicaid Services requiring a supplemental payment for GEMT via managed care. The amendment was submitted to CMS on December 5, 2017 and subsequently denied by CMS on May 8, 2018, due to a recent CMS rule prohibiting this action. LB1100 will require Medicaid to no longer pay for GEMT, such as ambulance services in managed care so that providers can qualify for a supplemental payment through fee for service. GEMT services are currently paid for by the managed care plans. The strategic intention of managed care is to align the Managed Care Organizations' financial incentives to increase less costly preventive care and care management to reduce more intensive and costly care. Requiring fee-for-service payment for GEMT services conflicts with the division's long-term strategy as it removes a critical part of that aligned financial incentive. The legislation process-- the legislation processes-- I'm sorry. The legislation proposes a certified public expenditure as a payment tool. A CPE is not an actual transaction of funds, rather, a certification that funds were already spent to allow for them to be used as a match for federal financial participation. The legislation states that the department can retain up to 20% of the certified public expenditure paid to the department for administrative purposes. However, as noted, the CPE or certified public expenditure is not a payment. The legislation also states that providers will pay for the implementation costs, however, it's unclear how that would occur. The implementation will include creating agreements with each provider to make supplemental payments, as well as establishing that separate payment arrangements with each participating provider to receive any administration reimbursement to determine an allocation methodology to distribute costs fairly. The supplemental arrangements and administrative operationalization would lead to the necessity for additional staff as reflected in the fiscal note. Additional technical concerns with the bill are: inconsistencies regarding effective dates, conflicting language regarding managed care, and incorrect usage of terms as noted regarding certified public expenditure. In summary, carving services out of managed care is incongruent with the strategic direction and resources of the Medicaid program to align the MCOs' financial incentive across the full continuum of the patients' care. We respectfully request that the committee not advance the bill to General File and thank you for the opportunity to testify today. I'd be happy to answer any questions you may have pertaining to the bill.

HARDIN: Thank you. Any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here.

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MATTHEW AHERN: Um-hum.

M. CAVANAUGH: I'm just going to go to the end of your testimony that this is incongruent with the strategic direction of the resources of the Medicaid program.

MATTHEW AHERN: Yeah.

M. CAVANAUGH: This is already in statute. In 2017, this passed into law. I'm, I'm, I'm a stickler--

MATTHEW AHERN: Sure.

M. CAVANAUGH: --a stickler for the law. I like it to be followed. I like it when we pass laws that direct the government to do something that the government isn't in violation of the law. So DHHS is currently in violation of the law in not doing this and not enacting this. So whatever your strategic vision is, is actually irrelevant. You're in violation of the law. And these gentlemen who came here to testify today could sue the state to compel you to do this. Now, Senator McDonnell has, for several years now, continued to try to divert away from that such action by bringing the bill forward again and again and again. And it is disappointing to hear about how there are things that aren't workable in the bill because, first of all, I know Senator McDonnell, I have served with him for this is my sixth year, I know that he would work to amend this bill to be workable. He would amend it to address the practical concerns. But that's not what's happening here. You're not doing what you're supposed to do. You're not upholding the law. You're not upholding the statute that this Legislature in 2017 passed, that the Governor signed into law, that we know you have the capability of doing. We know you don't need us to do this, any version of this. So it's frustrating. It is galling and frustrating. And I feel terrible every time you come in here because you are such a nice person and you are the interim director, you may become the, the permanent director, but this is a history that you are currently saddled with. So I am frustrated. I hope you understand that I am frustrated at a broader entity, not you personally, because you are lovely. But this is frustrating and it is galling to have the department come in here year after year and tell us that, that you can't do this because of X, Y, and Z. When the reality is, is you don't need us to tell you to do anything. You just need to respond to the waiver that was rejected, make the changes that the federal government told you to make and be done with it. And I got to tell you, this is Senator McDonnell's last year, if this bill

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doesn't go anywhere, that doesn't mean this bill is going away, because I'm going to be here for 2 more years, and then somebody else is going to be here for 2 more years, and we're going to keep having this conversation until these gentlemen get fed up and they sue. And how is it going to look when volunteer firefighters have to sue the state to get them to apply for a waiver? Do you understand how frustrating this is? I know, not a question. I guess that was a speech and I apologize. You're welcome to respond if you'd like. I apologize for putting you in the hot seat.

MATTHEW AHERN: Well, I appreciate that there's a lot of history with the bill that I have not been necessarily a part of. My understanding is that what had been passed was something that was a mechanism-- at least in particular with the-- with the language of what has been passed was a mechanism that was no longer available in terms of CMS's approval. It sounds like there may be some latitude in terms of how that can be addressed in different pathways and--

M. CAVANAUGH: There definitely is.

MATTHEW AHERN: --I think that's something to explore.

M. CAVANAUGH: I would highly encourage you to explore those avenues, to talk to Senator McDonnell, to talk to his staff who has worked on this, because there's, in my mind, there is no reason for us to be having this hearing again. You can do this. I have confidence in you. You can do this. And let's do something great for our volunteer firefighters together and stop having this argument. Thank you.

MATTHEW AHERN: Thank you.

HARDIN: Any other questions? Seeing none, thank you for being here.

MATTHEW AHERN: All right. Thank you very much.

HARDIN: Any other opponents of LB1100? Opponents? Any one in the neutral for LB1100? If not, here comes Senator McDonnell. He has been waiting for this moment.

McDONNELL: Thank you. So I'm supposed to be over in front of Revenue, and I'm going to blame it all on you guys based on I'm here. But, yeah, the history on this and, and the seriousness of it and going back to this committee, Senator Riepe was the, the Chair when I first brought this in 2017, the, the, the reasons haven't changed. We have, you know, you call it Ground Medical Transportation. It's about

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getting the dollars back into the state. You know, we're known as a donor state according to the feds because there's dollars out there. We, we put our dollars in, we take our tax dollars, and we give it to the federal government. But there's things that we can apply for as a state that we don't. So they call us a donor state. Pretty insulting, but that's what we are. There's things that we can do for all parts of the state of Nebraska, east, west, north, south. But this is talking about-- specifically about public safety. And there's other states that have plowed the ground for us. We're not asking you to do something that no other state has ever done. We're not asking HHS to do something that's unheard of. We're just telling them to go and look at what other states have done around us. Go down the same path and help us with our first responders be able to get those dollars in as much as we possibly can for better training, equipment, and to help our citizens.

HARDIN: Thank you. Questions? There was one letter, a proponent, no letters in opposition, no letters to the neutral. So thank you.

RIEPE: Good job.

McDONNELL: Thank you.

HARDIN: This concludes the experience for LB1100 and this concludes our hearing for today.