CLEMENTS: Good afternoon. Welcome to the Appropriations Committee. My name is Rob Clements, and I'm from Elmwood and represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as Chair of this committee. We'll start off by having the members do self-introductions, starting with my far right.

PROKOP: Good afternoon, everyone. Jason Prokop, Legislative District 27, which is west Lincoln and Lancaster County.

SPIVEY: Good afternoon, everyone. Ashlei Spivey, District 13, northeast and northwest Omaha.

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

DORN: Myron Dorn, District 30, which is all of Gage County and part of Lancaster.

STROMMEN: Paul Strommen, District 47, nine counties in western Nebraska.

CLEMENTS: Assisting the committee today is Cori Bierbaum, our committee clerk; and to my left is our fiscal analyst, Christina Dowd. Our page today is Amber Tannehill and Luke Perry. If you're planning on testifying, please fill out a green testifier sheet located at the entrance for each bill you wish to testify on and hand it to the page when you come up to testify. Online position comments must have been submitted on the Legislature's website by 8 a.m. the day of the hearing to be included on the record. If you have submitted a comment online, we ask that you not testify in person today. If you will not be testifying but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at the entrance to my left. These sign-in sheets will become exhibits in the permanent record after today's hearing. The committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard, as senators may have bills to introduce in other committees. To better facilitate today's hearing, I ask that you abide by the following procedures. Please silence your cell phones. When hearing bills, the order of testimony will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency. Then we will hear testimony from anyone who wishes to speak regarding the agency's budget. When you come up to testify, please say and spell

your first and last name to ensure we get an accurate record. We request that you limit your testimony to 5 minutes or less, except for agency representatives. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have 1 minute remaining. The red light indicates you need to stop. Questions from the committee may follow. Verbal outbursts or applause are not omitted-- permitted in the hearing room and may be cause for you to be asked to leave. Written material may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution when you come up to testify. We cannot accept oversized exhibits, CDs, or electronic exhibits. If you have written testimony but do not have 12 copies, please let the pages know so they can make copies for you. With that, we'll begin today's hearing with Agency 81, Commission for the Blind and Visually Impaired. We'll welcome representative. Good afternoon, sir.

[AGENCY HEARINGS]

CLEMENTS: Anyone else here wishing to testify regarding the Foster Care Review Board? Seeing none, we have no public comments for the record, and we will close the hearing for Agency 70, open a hearing for a bill, it will be LB858. Welcome, Senator Fredrickson.

FREDRICKSON: Thank you. Ready?

CLEMENTS: Just give me a minute.

FREDRICKSON: No worries.

CLEMENTS: OK, please proceed.

FREDRICKSON: Thank you. Good afternoon, Chair Clements and members of the Appropriations Committee. My name is John Fredrickson, J-o-h-n F-r-e-d-r-i-c-k-s-o-n, and I represent District 20, which is in central West Omaha. I'm here today, I'm here today to introduce LB858. LB858 restores the $500,000 in funding for community health centers that was reduced in last year's budget with funding coming from the Health Care Cash Fund. This additional funding will support expanded health care access through Nebraska's Federally Qualified Health Centers. Federally Qualified Health Centers, also known as community health centers, are community-based safety net clinics for all Nebraska families, regardless of insurance status. They are not free clinics, patients contribute to the cost of their care if they do not have insurance. Community health centers are organized under a federal

law that establishes specific criteria each center must follow including detailed data reporting and clinical quality standards and serve both rural and urban areas. Nebraska currently has 7 community health centers with 85 service locations across the state to increase access for Nebraska families. While health centers open to everyone, the majority of their patients are low income and one-third are uninsured. Last year, over 123,000 Nebraskans, including 36,000 rural residents, sought care at a health center. One out of every seven Medicaid recipients gets their care at a community health center, and 80% of all Nebraskan's live in a county served by a community health center. Maintaining access to primary health care is critical to reducing the burden on the overall health care system. Health centers are leaders in keeping Nebraskans healthy, including helping patients manage their chronic disease, ensuring positive maternal and child health outcomes, increasing access to behavioral health services, and helping patients establish dental homes. Like many health care providers, health centers have been facing increasing costs and declining margins. They're at a critical juncture and face the likelihood of service reductions, consolidation of locations, and reductions in workforce because of the economic strain. LB858 doesn't solve every problem, but it does restore critical funding that is used to support dental access and care for uninsured patients. Because the funds are distributed from the Health Care Cash Fund, LB858 does not impact the General Fund. Moreover, community health centers already receive a small portion of funding from the Health Care Cash Fund so this bill does not add a new program to the fund. Health centers play a critical role in the health and well-being of our communities and are a sound investment in state funds. I'll also say, just from a personal perspective, I know that a number of members of the community, or the committee, I should say, have had the opportunity to visit FQHCs from across the state. I know a lot of you have been strong advocates for FQHCs. If you've not had the opportunities to visit an FQHC, I really would recommend that as something that you, you take the time to do. These are facilities that do really, really incredible work. I actually worked at an FQHC. It was my first job out of graduate school. I was a mental health provider at one. And the, the impact that these centers have on the communities that they serve is, is, is quite powerful. And that's really palpable when you go and visit these centers. You can see the interactions that patients have with providers. You see the way that folks who work at these facilities are going above and beyond, in my opinion, in a lot of cases to help out individuals. So they're, they're really are kind of cornerstones in, in our health care services and something that I know

a lot of the members on this committee value and appreciate as something that is important that we, that we support. So with that, I'm happy to answer any questions. I know I have at least one testifier behind us as well.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. Thank you, Senator, for being here today and bringing this bill. I have-- well, it's technically Senator McKinney's district, but it's on the line so I like to claim it sometimes.

FREDRICKSON: I hear that a lot from you.

SPIVEY: I know, I know, he always tries to take the things from me. So I do appreciate, like, the work of the Federally Qualified Health Centers, and I just was wondering, because you are Vice Chair of HHS and are seeing a lot of human-- Health and Human Services related things. We just had our HHS hearing yesterday, which raised a lot of questions and concerns and things to think of. Could you maybe help us put into context with this funding as Appropriations Committee, how this type of funding is related to some of the things that you're seeing in your committee or how this funding is helping, you know, some of the things or should-- could help if restored, right, the things that maybe are coming in front of Health and Human Services that we are just not aware of?

FREDRICKSON: Sure. Sure. Well, I, I hope I can do it somewhat justice, but-- so, you know, to-- so, so FQHCs are, I think, one of our wisest investments as, as a state in terms of health care. And I think that that's something that-- I certainly don't want to speak for-- speak out of turn, but I've, I've heard directors of various state agencies echo that, that sentiment as well. I know that the federal administration currently as well supports the FQHC model because of how cost effective it is. One of the concerns that I've heard from FQHCs in my conversations with them is related specifically to some of the changes that we're possibly going to be seeing as it relates to Medicaid coverage. So for example, as I mentioned earlier, the majority of patients that seek care at FQHS do receive Medicaid. And so when you look at changing, whether that's the model related to deductibles or copayments, when you look at reauthorizations that might be coming in, it's really incumbent upon us as a state to ensure that we are able to have the administrative manpower behind that to make sure people aren't falling through the cracks on that. You know, these are-- if FQHCs or even, even hospitals, for that matter,

frankly, are not getting reimbursements because of perhaps administrative issues or errors, that, that can be really detrimental to, to their underlying budget. Last year, this is a bill that I brought in response to the budget we did pass last year. It did reduce their funding by $500,000. I feel like that might seem like a modest amount, but this is money that they have used, and people behind me can testify to this more, but to expand things, for example, like dental services, other things that when you continue to see these issues or challenges that I think can jeopardize their sustain-- long-- long-term sustainability.

SPIVEY: Thank you, Senator.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thanks. Thanks for being here.

FREDRICKSON: Of course.

ARMENDARIZ: One clarification and one question. Did you say one in seven are on Medicaid or was it more than that?

FREDRICKSON: Well, we have seven community health centers, that may have been the-- but one out of every seven Medicaid recipients gets their care at a community health center. So every one out of seven--

ARMENDARIZ: OK, one out of every seven, Medicaid [INAUDIBLE].

FREDRICKSON: Yeah, their kind of health care home would be their--

ARMENDARIZ: OK. So then my question was-- so as Appropriations members we get asked to sometimes use this fund to fund things. There, there could be a point where it isn't sustainable.

FREDRICKSON: Yeah.

ARMENDARIZ: Right?

FREDRICKSON: Yeah.

ARMENDARIZ: Our incoming isn't going to keep up with the outgoing anymore. So with your ask here, if we get to that point, do you want us to continue draining the fund or would you only want this funded if it's sustainable [INAUDIBLE]?

FREDRICKSON: Well, so I think that's kind of whenever we have a cash fund, like the Health Care Cash Fund, for example, I mean, the, the long term, like, you know, 20, 30, 40 years down the road, it's hard to say what sustainability looks like. I think, like I said, this is a $500,000 ask. So I think it's, it's, it's not nothing, but it's also-- it's, it's fairly modest. And so, you know, that's something that I would, I would hope we would able-- be able to afford from the Health Care Cash Fund. That said, if that would be compromised, that would be something that I would want to have further conversation about just because I think the value of what's provided at these centers is, is incredibly high. And so I would not want their funding to be, to be jeopardized in the long term.

ARMENDARIZ: Thank you.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. And thank you, Senator Armendariz, for that question, because it kind of jogged my memory. And you sit here long enough, you have other questions and thoughts. We were talking yesterday with HHS, just about, like, the Medicaid copays, and there was a lot of feedback around that. And I think one of the things that you uplifted, and, and maybe your testifier after can speak more to that, of really when someone has a home for their care, they can have preventative services that then saves the state money, saves other ecosystems and some of our social safety nets money because they are going upstream versus waiting until it's a super emergency or something happens. And so what I think I hear you saying is that an investment of $500,000, why it seems modest, has outsize impact, because it allows for that to happen versus some of the other strategies like a Medicaid copay or whatever to address that upstream preventative care.

FREDRICKSON: I, I, I would agree with that. And I would also say, I would, I would recommend the committee as well look at, you know-- so in Omaha, for example, we have OneWorld Community Health Center, [INAUDIBLE]. Senator Dover, I know has a, a Federally Qualified Health Center in Norfolk in his district as well. The, the-- all of these centers put out annual reports and their economic impact analyzes are in a lot of these reports and, and the numbers are really-- you know, I was at a OneWorld Community Health Center recently, probably about a year ago or so, had a groundbreaking, and Dr. Corsi was there and, you know, I spoke with him, and he was like, this is, I think, one of the

smartest investments we, we have as a state in terms of, in terms of health care, so.

SPIVEY: Thank you.

CLEMENTS: Other questions? Seeing none,--

FREDRICKSON: All right. Thank you.

CLEMENTS: --will you stay to close?

FREDRICKSON: Of course I will.

CLEMENTS: Very good. We welcome proponents for LB858.

AMY BEHNKE: All right, good afternoon.

CLEMENTS: Good afternoon.

AMY BEHNKE: These chairs are so big. Good afternoon, Chairman Clements, members of the committee. My name is Amy Behnke, A-m-y B-e-h-n-k-e, and I'm the CEO of Health Center Association of Nebraska. Our organization supports the work of Nebraska's seven FQHCs, most commonly known as community health centers, and the 123,000 patients they serve each year. I'm here today in strong support of LB858 and would like to thank Senator Fredrickson for introducing this important legislation. Health centers are foundational to the health care delivery system in Nebraska and collectively comprise one of the largest primary care systems in the state. Every health center provides medical, dental, behavioral health, and pharmacy services, as well as supportive services like patient education programs, transportation, and assistance with enrolling in and utilizing health insurance, all under one roof. Health centers serve everyone in their community, regardless of insurance status or ability to pay. Patients will not be turned away just because they are on Medicaid or are uninsured. They're not free clinics, patients who are uninsured contribute to the cost of their care based on a sliding fee scale. Whether it's urban or rural, school based, mobile, clinic based, health centers truly are safety nets of our health care system. LB858 is requesting the restoration of funding that was cut during the 2025 legislative session through an increase in the transfer from the Tobacco Settlement Fund to the Health Care Cash Fund. The cash fund was created in 2001 and receives revenue primarily from the Nebraska Tobacco Settlement Trust Fund. The statute establishing the Health Care Cash Fund states that the purpose of the fund is to provide for

the use for dedicated revenue for health care related expenses. During the last legislative session, as you heard, the health centers' funding was reduced by $500,000. That particular funding had been added to the budget in 2020 by Senator Vargas. And prior to that, funding for health centers had not been increased since 2015. The funding received through state appropriations supports dental access, care for uninsured patients, and is funded through a mix of general funds and Health Care Cash Fund. Health centers like many health care providers are facing a financial emergency. In 2024, operating margins dropped down to 2% with some centers barely breaking even. At the same time, they experienced nearly a double-digit increase in expenses for a patient and a 4% increase in personnel costs. This year, we've already had one health center experience staff reductions, and another is considering reduced hours at one of their locations, and all are simply hoping to make their budgets this year. But precarious finances don't mean there's a lack of need for access to care. Nearly 390,000 low-income Nebraskans live in areas without adequate access to primary care. Chronic disease burdens are highest in the underserved areas of the state, and we know from firsthand experience that the lack of access to dental care for Medicaid beneficiaries and uninsured individuals is pervasive, especially in rural communities. I'd like to address a few myths surrounding how health centers are funded. It is true that they receive federal grant funding as Federally Qualified Health Centers. However, this funding compromises or comprises about 18% of their total revenue, and because that funding also has not been expanded in over a decade, does not adequately cover the cost of care for a patient. Health centers do not receive any funding from the hospital assessment that was passed a few years ago, and health centers have not benefited from the recent Medicaid fee-for-service rate increases. Patient revenue comprises the majority of health center funding with one-third of our patients being uninsured, we supply over $30 million in sliding fee discounts each year. We know that you all are faced with tough budget decisions again this year. So there are three things I'd like to reiterate. First, we're requesting an increase in the transfer from the Tobacco Settlement Fund. So LB858 does not take any funding away from programs currently funded through the Health Care Cash Fund. Second, these are not General Fund dollars. They are funds that are specifically dedicated to health care related expenses. And, finally, health centers already receive some funding through the Health Care Cash Fund. So we are not adding a new program to the fund. Supporting Nebraska health centers through the Health Care Cash Fund will enhance access to care, alleviate strain on hospitals by reducing unnecessary emergency room visits and

hospitalizations, help parents stay healthy so they can work and provide for their family, keep kids in schools, and support the economic development of communities statewide. Nebraska's health centers contribute $89 million in cost savings to Medicaid every year and over $230 million in savings to the health care system overall. Investing in health centers is an investment in the health and well-being of the state. Thank you for your time. I'd be happy to answer any questions.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for being here. I have a question about Medicaid. If a, if a patient with Medicaid is seen at an FQHC primary care doctor there, does the MCO pay for them? And do they pay the same rate for that primary care as if they went to a private hospital clinic?

AMY BEHNKE: So they do pay for the rate. Under federal statute, health centers are paid on a cost per patient basis. It's called a prospective payment system, if you want to get really technical. So it's based on their overall costs. And part of the reason it's established that way under federal law is because health centers are required to provide those wraparound services. So they're required to include transportation, they're required to include additional patient education and support services. And so that's part of why the federal law establishes a bit of a different rate. So it is a different rate.

ARMENDARIZ: Is it more or is it less then?

AMY BEHNKE: It depends. It's a, it's a flat rate, so it depends on what the service is. In some instances, it might be more. If, if it's a, a service that under fee for service would be more expensive, the health center gets that payment rate regardless. So it, it balances itself out.

ARMENDARIZ: And is that completely paid by the MCO?

AMY BEHNKE: Yes.

ARMENDARIZ: OK. The wheel's turning.

CLEMENTS: Other questions? Seeing none-- oh, is there? Senator.

DOVER: [INAUDIBLE]-- what's the update on Midtown Health as far as the upgrade and the model?

AMY BEHNKE: In their construction. My understanding is that it is moving forward and they are proceeding with all of their plans. So I don't know what the full timeline is for when it will be done, but.

DOVER: OK. Thank you.

AMY BEHNKE: Yeah.

CLEMENTS: Seeing no other questions, thank you for your testimony.

AMY BEHNKE: All right. Thank you.

CLEMENTS: Are there other proponents for LB858? Seeing none, anyone here in opposition? Seeing none, anyone here in a neutral capacity? Seeing none, Senator Fredrickson.

FREDRICKSON: Thank you, Chair Clements. And I just want to thank the committee for listening to the hearing and, I think, for your engagement and for asking the questions. You know, this is something that I think is, is an important and prudent investment as, as a state. You know, I-- also, I was thinking about this on my way over here, I don't think I've been in front of this committee this, this biennium, so this is my first time in front of you all in the last 2 years. And I, and I point that out just to say that whenever my office and I are trying to plan legislation for the year, one thing we consider is a few things. One is, you know, the reality of, of, of the circumstances we're in. So I, I, I come to you all today with, with this bill kind of fully clear-eyed about, about the fiscal picture that we're, we're facing as a state. I don’t think that's a secret to, to anyone. But I do want to say that this is, you know, again, my first time here this biennium and this is my one ask and it is something that is not going to come from the General Fund. It will come from the Health Care Cash Fund. As our previous testifier said, this is really a, a, a very wise investment as a state in terms of the return on it. So I am serious about this bill. I hope the committee will consider this, potentially, to advance in part of the budget, but if not, conversations to be had on the outside of that as well. And I'm happy to answer any questions.

CLEMENTS: Questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Well, I didn't ask any questions previously since my time on HHS for 6 years had me pretty well informed on this issue, so, and this was our first time and probably last time together on this particular committee since I'm term-limited. So just welcome,

and I look forward to continuing the conversation about this really important work.

FREDRICKSON: Thank you.

CLEMENTS: No other questions? Thank you, Senator.

FREDRICKSON: All right. Thank you.

CLEMENTS: We have position comments for the record: proponents 27, opponents zero, neutral zero. That will conclude the hearing for LB858. Next, we will open a hearing on LB1177. Good afternoon, Senator DeBoer.

DeBOER: Good afternoon, glad to see you in such comfortable digs again. Unfortunately, this is not my first time in front of you guys this year. I understand you were here late the other night, last night, so I'm going to try and make this as quick and painless as possible with you all. And not do my scripted LB1177 opening. LB1177 was a bill that I brought to create a cash fund because I thought that was probably a mechanism we might want to use for my LB304, which some of you are familiar with, which is the childcare subsidy bill. But the fiscal analyst and others have suggested to us that it might be simpler to just do a straight appropriation or a straight transfer to HHS to administer the program. And since that is something that is apparently going to be simpler, that is probably the route we will take. So for now I will ask you to hold this bill in reserve. And if it turns out that we need it, then I'll come and talk to you. I, I tried to get around to everybody today. I missed Senator Strommen, Senator Dover, and Senator Machaela Cavanaugh, but I will come around and talk you guys about sort of where we're at with all of this in coming days but still going forward with, obviously, LB304, the childcare subsidy bill, but maybe not creating a cash fund at this time because that's maybe not the best mechanism for taking the funds from column A and moving them over to column B. So that is all I'm going to say to save you guys a little time and maybe get you home before supper.

CLEMENTS: Are there questions from the committee? Seeing no questions, Senator.

DeBOER: I'll stay to close.

CLEMENTS: Are there any proponents for LB1177? Yes, we are. Good afternoon.

ELIZABETH EVERETT: Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Elizabeth Everett, spelled E-l-i-z-a-b-e-t-h E-v-e-r-e-t-t, and I am the Vice President at First Five Nebraska. We are a public policy organization focused on supporting policies that provide quality early learning environments and opportunities for our children in the state. As Senator DeBoer mentioned, I won't read through my testimony as well. The intent of the, of the bill was, again, to create a vehicle to support a really big childcare bill that we have going in this session. But one thing I do want to emphasize is kind of, as we look forward, as the Legislature continues to look forward on how to fund childcare subsidy, having a fund like this, I think, is very forward thinking. I know we're probably-- again, it might not be the best vehicle for this session, but having something like this is very forward thinking, especially because the way that we fund and support childcare and early learning programs is very fragmented. And I do think having a fund like this would provide additional oversight and transparency for the Legislature so that we can make those better decisions and investments for childcare and make sure that we're spending the funding appropriately. So something like this other states have done and it's worked really well so I hope that this continues to remain a topic of conversation as we move forward. So I'm happy to answer any questions right now.

CLEMENTS: Any questions from the committee? Seeing none,--

ELIZABETH EVERETT: Great. Thank you.

CLEMENTS: --thank you for your testimony. Are there additional proponents? Seeing none, anyone here in opposition? Seeing none, anyone in the neutral capacity? Seeing none, Senator, you may close.

DeBOER: I mainly came to just gloat at how fast my bill hearing went and answer any additional questions you might have.

CLEMENTS: Well, we'll, we'll take under advisement holding this in reserve if needed--

DeBOER: Thank you.

CLEMENTS: --if that's a, a good option.

DeBOER: I do think that, as the last testifier just mentioned-- I mean, this-- my idea for creating it this way was that, ultimately, it might be really helpful to have a sort of dedicated fund. But I think

that might be a bigger project than this year can sort of handle. But at some point, it may be nice to have a fund where you can look at it and say all the funds that are going into this is all in one place. You can look at it. There it is. It might be very nice, but Senator Clements and I might not be here when that happens. And not because we're going to get hit by a bus or anything, but because we are almost done, so.

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

DeBOER: Thank you.

CLEMENTS: We have position comments for the record: proponent six, opponents one, neutral zero. That will conclude a hearing for LB1177. Thank you. Next we'll open a, a hearing for LB750. Senator Spivey.

SPIVEY: Thank you, Chair Clements and esteemed members of the Appropriations Committee, which I heard is the best committee, by the way, is just what I've heard through the grapevine. I am Senator Ashlei Spivey, representing District 13 in northeast, northwest Omaha, A-s-h-l-e-i S-p-i-v-e-y. And I'm excited to bring LB750 in front of you. I handed out a synopsis, which kind of has just an overview to follow along with my opening, as well as some information just about the fiscal components of this bill. So my district, as I mentioned, is in northeast and northwest Omaha, and I actually have a PACE location, which is a Program of All-Inclusive Care for the Elderly, or PACE is the acronym, that is serving vulnerable adults. And so I actually in the interim when I was visiting different folks in the district and spent a, a little bit of time with them to talk about what it is that they are needing, again, to support this really critical population and community. And so my bill, LB750, would address the rate for Medicaid that the PACE Program is receiving and bring it closer to the national average and the actual cost of care. We, we heard yesterday, I think we've heard a lot of times, I know Senator Dorn has brought different bills around our agencies that are providing really critical care are not seeing adjustments based on inflation or the complexities of their population. And we know that if we invest in these types of programs and go upstream, we actually save not only the state money but allow for people to age and navigate their health care with dignity and respect and, and the proper resources that they need. And so that's what, for me, this bill really does. I have a couple testifiers here, the folks that actually run PACE, so they can give you a lot more detail about the program. But, in general, it's an

integrated care model, and it looks at long-term care services, transportations, and meals for folks that don't necessarily need to be out of home, but can stay in their actual home or where they are living with some of that connection to care. So that's just a little bit of the difference with some other programs that we talk about. They serve Nebraskans ages 55 and older who qualify for nursing home level care. As I mentioned, they can stay in their home. The one PACE provider that we have is Immanuel Pathways. They've been operating since 2013. I think with this bill, there will be an opportunity in other geographies across the state to see PACE programming. And they currently serve 218 Nebraska residents, 99% who are dual enrolled in Medicaid and Medicare. One of the things that I think is important is that they receive a fixed payment per participant regardless of the actual cost of coordinating and delivering all required medical long-term and supportive services, which really means that they are not able to really bill, again, Medicaid and that's what this bill does to, to get the services, right, for, for their program model. And, and what we have seen in other states is that if you are able to adjust for this type of rate, it can save money on Medicaid. So the actual Medicaid program, and there's some data on those numbers in your synopsis. And so, again, I'm really excited to be able to uplift this bill on behalf of my constituents in District 13. I think it's an awesome program. I saw it in person from the folks that were there getting services to how they work with families, to the staff and how they care for the folks that they are seeing. And so would be happy to answer any questions. And then on any technical questions about how their program works, you can absolutely ask me. I will defer to the people behind me so that I cannot get it wrong and they can get it right. So with that, I'm happy to answer any questions from this committee.

CLEMENTS: Senator Dorn.

DORN: Thank you, Senator Clements. And thank you for bringing this bill. I guess the, the people that qualify for PACE, what, what criteria or do they have to have criteria to qualify or is it--

SPIVEY: Yes.

DORN: How, how does that happen?

SPIVEY: Yes, so from my understanding-- again, they will come up and correct me if I'm wrong, so they're 55 or older, and then they can qualify for nursing home level care, but based on their condition,

they can stay in their home. And so they come to this PACE Center maybe because there's not a, a family member at home to watch them, and they need to make sure that they don't fall or they access services. So they are able to dually enroll in Medicaid and Medicare as well. And so there is a set of criteria for that.

DORN: So, so the Medic-- some of the certain Medicaid qualifications to be on it, you have to have basically no, no--

SPIVEY: No income.

DORN: --assets?

SPIVEY: Yeah, exactly.

DORN: That's part of this too?

SPIVEY: Yes, yes, absolutely. And in there-- just to add to that, Chair, sorry. Senator Dorn, there is, as we talk about the fiscal note and the requirement, I put a little spreadsheet. We have kind of gone back and forth a little bit. And Machaela has been great to work with on this with my staff. With HHS and how they are envisioning this fiscal note, we don't necessarily see the alignment in every aspect. And so we try to just put together a table around here's what they're seeing, here's what the agency is seeing in practicality and maybe where there's misalignment in areas for alignment to your point around criteria and the reimbursement and how it works. And so you also do have that in your packet.

CLEMENTS: Other questions? Seeing none, will you stay to close?

SPIVEY: I'm not sure. I have-- no, I'm just kidding. Yes, I will be here.

CLEMENTS: All right. We welcome proponents for LB750. Good afternoon.

TARA MUIR: Good afternoon, Chairman Clements and committee members. My name's Tara Muir, T-a-r-a M-u-i-r. I'm the Advocacy and Government Relations Coordinator with Immanuel. We support LB750, and we want to thank Senator Spivey and her aides for their hard work on the bill. LB750 only addresses reimbursement rates. And that's good, but it is only a small part of the answer for our PACE Program and the barriers it faces in Nebraska. We do have three PACE Programs, one here in Nebraska in Omaha, and two in Iowa, Council Bluffs and Des Moines. We did begin the PACE Program in Omaha in 2013 because we needed

innovative approaches for seniors that actually deliver improved health outcomes. Most importantly, by law, it must cost less to the state of Nebraska than otherwise would be paid for other kinds of care. The state contracts with an actuary to make this determination. It's why we believe more people should access it. The biggest barrier to access that we see in Nebraska is the low Medicaid income eligibility for those 65 and over. Our PACE Programs flourish across the river in Iowa. Their income limit is almost $3,000, $2,982. I have one-- one of my handouts addresses these rates. Nebraska, for 65 and over, is still $1,305. One of the solutions is to create a higher limit in Nebraska just for those applying for PACE. We assume full financial risk for, and we provide all the services covered by Medicare and Medicaid, as well as additional benefits. Most participants are dual eligible, but we do have some private pay, so it's possible. Transportation gets participants to much-needed socialization. When you talk with some participants, they say that's what really saves them, is being able to socialize with each other. Then they mention the coordination of the care for their usually many chronic health conditions. Immanuel was founded in Omaha almost 140 years ago. Since its founding, Immanuel's mission is to serve where the need is greatest. When we sold the Immanuel Hospital years ago, we knew to focus on seniors and housing. As we all know, Nebraska's population is growing older, and we must address the growing need for care. Today, we have 18 communities in Omaha, Lincoln, Council Bluffs, and Des Moines. That's 1,700 employees, that's almost 3,000 seniors that we serve. We provide a continuum, a continuum, affordable housing and independent living, as well as some assisted living memory support, long-term care, and the topic today, our PACE Program here in Nebraska. We have met with Nebraska's Department of Health and Human Services several times over the past 2 years to address these barriers to growing PACE, allowing us to expand it, to take more, more care of more people. We appreciate their time with us immensely, but the barriers remain and nothing has changed. We know we save the state, state money. That's the second handout, the really pretty graph picture. I'm happy to take questions on that if you have them. To wrap up, PACE is growing across the country. It's in 33 states and D.C. Three states, Oklahoma, our neighbor to the south, Kansas, and Michigan, plan to expand PACE through the Rural Health Transformation Programs. That apparently is not part of Nebraska's program. Three other states all much further away, Connecticut, Louisiana, and Rhode Island, will also use some RHT funding to research PACE expansion in their states. I want to thank you for your time today. I'm happy to take questions, especially on those handouts. And I, I invite you all

to come out. We're happy to show you around, introduce you to some participants, and show you how we help everyone have much better outcomes for their lives. Thank you.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for being here. Can you tell me how the A&D waiver has anything to do with your program?

TARA MUIR: Oh, I forgot to say only ask me super easy questions.

ARMENDARIZ: I was worried about that because it sounds like it could get complicated.

TARA MUIR: Yeah, I think, I think some believe it only comes from long-term services and supports category, but we're not sure. I've lobbied in other states that have much more transparent budgets. I'll just put it that way, that it seems like you can find your program and find exactly what pots of money it's coming from. I'm not 100% sure. But we will find out, and we can let you know.

ARMENDARIZ: OK, thank you.

CLEMENTS: Senator Dorn.

DORN: Well, I had a question, but I'm hesitant to ask it now because I'm not sure it's easy enough.

TARA MUIR: Right.

DORN: Thank you for being here. I will ask the question. On this handout you said, our service area in Nebraska is limited due to needing a dense enough population. That almost tells me it's only limited to Omaha and Nebraska or something like that. And then yet you, here towards the end, you talked about three other states that are going to use their, their rural health program for this so those don't line up because that has to be, I call it, not very much population.

TARA MUIR: Thank you, that's a great question. PACE was originally created in dense populations, but because it's been so successful, some of our outcomes are less hospitalizations, less readmission to hospitals. They've worked hard, especially on the national level, to develop some best practices if you want to expand it to rural areas, more telehealth. Hub and Spoke, they talk about it. I'm still learning

what those things are and clearly it's in our future to educate us more and bring that information to you. How can we expand it? One caveat is we have looked very seriously about coming into Lincoln because there's a great need here, but it's just not financially feasible given that really low-income eligibility rate, because as you raise that, you get a bigger population. So that's where we see more of the problem. We could even, you know, look at other areas of the state, whether it's us or other providers. The Kansas provider has been in Lincoln and done a market assessment and they found the same problem. It's just not enough because of that low Medicaid eligibility rate.

DORN: Thank you.

TARA MUIR: Thank you.

CLEMENTS: Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thanks for being here. Is the eligibility rates set at the federal level or at the state level?

TARA MUIR: I believe the state chooses which rate they want to have.

M. CAVANAUGH: And what rate are we at?

TARA MUIR: We are at 100% of the federal poverty level. This is just for 65 and over.

M. CAVANAUGH: And what rate could we go to?

TARA MUIR: Our surrounding states are at 300% SSI. So it's my understanding, historically, as I'm still really learning a lot of how complicated it really is, that at some point Nebraska could have jumped on the bandwagon and said we are going to do the 300% SSI number which for this year is the $2,982. We could have done that probably at the time of Medicaid expansion. But we chose not to and I'm still trying to figure out why.

M. CAVANAUGH: OK. So if we increase the income eligibility to the $2,982, then that would expand the population and that population could expand across the state.

TARA MUIR: Yes, I didn't give you the really nice--

M. CAVANAUGH: Sure.

TARA MUIR: --picture of how it would expand almost countywide and rather than just the cities.

M. CAVANAUGH: If we expanded the eligibility, we still wouldn't be able to serve the community because what you said about expanding into Lincoln is not financially feasible.

TARA MUIR: We feel, with the market analysis, that if we could go with the ability that more people would qualify around Lincoln, it would be finance-- it, most likely, would be financially feasible.

M. CAVANAUGH: OK.

TARA MUIR: Yes.

M. CAVANAUGH: OK. And then you mentioned other states with the Rural Transformation Health project.

TARA MUIR: Yes.

M. CAVANAUGH: They-- can you tell me what they're doing to your knowledge?

TARA MUIR: I haven't read all the details. The, the three states have really strong PACE Programs in a number of different areas. I think one has three, one has six, but they're all looking to expand the numbers of those. I don't know much more details than that. Other than there were some who were just going to use the money to research it more. Could we adopt a more rural health model and expand that way?

M. CAVANAUGH: OK, great. Thank you.

CLEMENTS: Other questions? I had a question. Senator Spivey said you're serving 218 clients. Is that the capacity of your facility or would you be able to handle more?

TARA MUIR: It's almost capacity. I think with a PACE Program, because there can be such intense health care happening, we like to enroll them slowly, not so many each month. And we would be able to serve more in our Omaha area. What we have talked about is creating some satellite pockets that might just help Papillion get back and forth to the program or have a pop-up of a health care place there. And then we could maybe serve another 20, 30, don't know the exact number, but I can look into that and what we were in our planning.

CLEMENTS: And as people age then, do they-- if they lose ability or become more disabled, do they then progress to institutional care or what-- how does that work?

TARA MUIR: It's a great question. And I haven't seen our own data. What I have heard a lot of staff talk about is because they're high chronic health conditions, high number of them, usually they'll die still being a PACE participant. They don't automatically have to move on to a nursing home. We'll provide hospice care should they need it. We do the whole gamut for them. If they need air conditioning in their apartment to help their health out, we might look at how much does that cost and let's just give them that and that'll help them through the summer much better. But that's what I've heard staff talk about is most often they'll, they'll still pass away still being a PACE participant.

CLEMENTS: And you pick them up at home in the morning and bring them back in the evening?

TARA MUIR: Yeah, we do.

CLEMENTS: Is that how it works?

TARA MUIR: Usually they'll just pick a couple of days a week, some are Monday, Wednesday, Friday. There's a group of women who love being together and they'll go the 3 days and sit and talk. Others may just be 2 days. They'll usually combine it with physical therapy, occupational therapy, other visits right there while they're there getting food, too.

CLEMENTS: All right. Other questions? Seeing none, thank you for your testimony.

TARA MUIR: Thank you.

CLEMENTS: Are there other proponents for LB750? Seeing none, anyone in opposition? Seeing none, anyone here in neutral capacity? Seeing none, Senator, you may close.

SPIVEY: Thank you so much, Chair and members of the Appropriations Committee. And thank you to the PACE Program for being here today and helping my office to work through this and to bring this bill. I appreciate the questions of the committee and I think, Senator Cavanaugh, to your point around understanding the eligibility, that is another piece of this puzzle that we started to think through with

them. I am very thoughtful about what legislation that we bring and how we write it. Because that doesn't mean that it comes in front of Appropriations, it might go to a different committee, and, and, and the appetite to understand and the knowledge. And so this portion of the problem that they named is appropriate for our committee to look at. And I think absolutely the eligibility number is a continued conversation that I'm committed to having with the PACE Program around how do we figure that out and solve for it as well? So I appreciate your question, Senator Cavanaugh, on that, and then PACE for bringing it up and naming it just so you all can have the full comprehensive picture. So I'm excited to continue to work through this bill as we debrief on the budget and, and have conversations. And, again, would be happy to answer any questions that the committee has at this time.

CLEMENTS: Seeing none, thank you, Senator.

SPIVEY: Thank you, Chair.

CLEMENTS: We have position comments for the record: proponents two, opponent zero, neutral two. That concludes the hearing for LB750. Next, we'll open the hearing for LB1106. Welcome, Senator Prokop.

PROKOP: Yeah, happy to be wishing you all a good afternoon instead of a, a good evening like, like last night. So it's good to be with you all. Chair Clements and, and my friends on the Appropriations Committee, my name is Jason Prokop, J-a-s-o-n P-r-o-k-o-p, and I have the privilege of representing Legislative District 27, which is in west Lincoln and Lancaster County. I'm here today to discuss LB1106. LB1106 would annually transfer $300,000 from the Health Care Cash Fund to the Patient Safety Cash Fund. The Patient Safety Cash Fund is dedicated exclusively to supporting the activities of a Patient Safety Organization. In Nebraska, our federally recognized patient safety organization is the Nebraska Coalition for Patient Safety, or you'll hear me refer to the NCPS. Patient safety organizations like NCPS exist, exist for one reason: to make health care safer. NCPS works with hospitals, clinics, and health care professionals across our state to analyze adverse events, near misses, and systemic risks, confidentially and without blame so providers can learn from mistakes and prevent them from happening again. This work is not about discipline or enforcement, it is about continuous improvement, shared learning, and protecting patients. NCPS plays a unique role in Nebraska's health care system by providing a trusted neutral space for that work to occur. Historically, NCPS has been funded through a combination of member fees paid by participating health care entities

and a patient safety fee assessed on professional licenses, which was, which was $50 for physicians and $20 for physician assistants. That license fee sunset at the end of 2025. NCPS will continue to be supported by member fees, but without a replacement funding source for the licensure fees, the organization's abilities to sustain its statewide patient safety work would be at risk. This bill proposes a modest, stable annual transfer from the Health Care Cash Fund to the Patient Safety Fund to replace the expired license fee, not to expand the organization, but to maintain the work it is already doing on behalf of the entire health care system and, ultimately, Nebraska patients. This is an appropriate and responsible use of Health Care Cash Fund dollars. Those funds derived from the tobacco settlement are, are dedicated to improving health care and health outcomes for Nebraskans. Supporting a federally recognized patient safety organization that works to reduce preventable harm, improve quality care, and strengthen system-wide learning is squarely with-- within that purpose. These dollars were intended to support long-term investments that improve the health and safety of our state. Sustaining NCPS does exactly that. There are some testifiers that'll be coming up behind me that can speak in greater depth to, to the NCPS itself. But I would just make a note that there are 75 participating organizations within the NCPS, so this is not just a, a large hospital thing, this is across the entire state in all sorts of different health care settings, and I'm sure they can get more into that. But with that, I'm happy to answer any questions.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for being here. Why don't we just fund it with licensing fees like we did before?

PROKOP: Yeah, we-- that was, that was looked at and, and I think some of the folks behind me can speak to the history on that probably a little bit more effectively than I can. But, essentially, those sunset, they did not, ultimately, get extended from one reason or the other. The, the concern with continuing down that path, I think, was how the other fees were going to impact that and the participation of, of really kind of smaller providers on the-- on that front as far as whether or not they would participate. So that's why I'm trying to look for a stable, regular funding source for it. And the ask, as far as the $300,000 from the Health Care Cash Fund, that actually is only about half of what was coming previously from the licensure fees, just because we think that's the most reasonable and responsible way to, to keep the fund going so that's sustainable for those services.

ARMENDARIZ: And how long has the fund been in place?

PROKOP: Since-- let's see the federal bill, I think, was in 2006. Sorry, I don't know off the top of my head, but I'm sure someone behind me can, can answer that question, so.

ARMENDARIZ: OK. Thank you.

PROKOP: It's been around for, for a while.

CLEMENTS: Other questions? Senator Dorn.

DORN: Thank you, Senator Clements. And thank you. Was that-- you talked about physician so much and then PA so much, was that everybody was required to pay that or was it voluntary?

PROKOP: It's voluntary to participate. So there's a-- the fee schedule is, is all across the board. I mean, it's, it's all the way from 100 bucks for, for membership fees for small community health centers to, you know, you have larger hospitals, they pay around $10,000 as a, as a member fee, so it's all, it's all across the board to fund this.

DORN: But that was a vol, a vol--

PROKOP: It's voluntary. It's completely voluntary.

DORN: It's been that way since it started.

PROKOP: Yeah.

DORN: OK.

PROKOP: Yep, so there's an example of a, a few smaller, I would say, rural area health care providers that are participating and they have a, they have a different schedule as far as the amount they, they provide. So it's all, it's all kind of to scale, so.

CLEMENTS: Other questions? Seeing none, will you stay to close?

PROKOP: I will.

CLEMENTS: Very good. Next, we welcome proponents for LB1106. Good afternoon.

JASON KRUGER: Good afternoon. My name is Dr. Jason Kruger, spelled J-a-s-o-n K-r-u-g-e-r. I'm a board-certified emergency medicine

physician at CHI Health St. Elizabeth in Lincoln and I currently serve as the Chief Medical Officer for both CHI Health St. Elizabeth and CHI Nebraska Heart Hospital in Lincoln. I serve on the Board of the Nebraska Coalition for Patient Safety and the Board of the Nebraska Medical Association. I am testifying in support of LB1106 on behalf of the Nebraska Medical Association. In 2002, Fremont, Nebraska experienced the largest outbreak of hepatitis C in American health care history. A single cancer clinic exposed 857 patients to a deadly virus through unsafe needle practices, 99 of those patients ultimately contracted hepatitis C from reused contaminated syringes during chemotherapy treatments and one patient died from the virus. Three years later in 2005, the Nebraska Legislature passed the Patient Safety Improvement Act, calling for the creation of a patient safety organization in Nebraska. The Nebraska Coalition for Patient Safety was formed in 2006 when five founding organizations, the Nebraska Hospital Association, the Nebraska Medical Association, the Nebraska Academy of Physician Assistants, the Nebraska Pharmacists Association, and the Nebraska Nurses Association came together to create NCPS. Today, NCPS supports providers in improving patient safety through the aggregation and analysis of patient safety events and the sharing of de-identified information about those events and their underlying causes. NCPS also provides educational tools and resources that help members strengthen the safety of care delivery systems for our patients. NCPS continues to have strong support from the health care community. You've received letters of support from the Nebraska Academy of Family Physicians, Nebraska Pharmacists Association, Nebraska Nurses Association, the Nebraska Academy of PAs, and the Nebraska Perinatal Quality Improvement Collaborative. NCPS is especially critical for patient safety in rural facilities, as you can see from the letters of support from the Columbus Community Hospital, a representative from the Critical Access Hospital in Broken Bow, and a patient safety coordinator in Hastings. NCPS encourages broad participation from hospitals across Nebraska for the benefit of patient safety statewide. With the expiration of provider assessment fees at the end of 2025, the funding provided by this bill is critical to continue patient safety efforts. The benefits of NCPS extend far beyond hospital walls. They support small independent clinics and pharmacies throughout Nebraska. I respectfully ask for your support of NCPS by passing LB1106.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you. Maybe you can answer why, why isn't the bill just extending the-- or do we even need a bill or was it just voluntary to have those provider assessment fees supporting this?

JASON KRUGER: So legislation was passed, I believe, in 2019, that assessed-- it was a mandatory licensure fee on all physician licenses of $50 per cycle, and for PAs, kind of $20 per cycle. NCPS benefits kind of far more than just, you know, physicians and PAs. And discussing with the various professional organizations is to try to how to kind of splice out licensure fees to equalize it with, you know, chiropractors, physical therapists, occupational therapists, EMTs, paramedics, nurses, respiratory therapists, I mean, all the different health care licenses. It, it was really challenging to come to any sort of, like, equitable consensus on what everybody should pay in. And with patients kind of benefiting from this, I mean, beyond just, you know, physicians and PAs, it was felt that this was a, a more appropriate venue for, for the, for the funding of this.

CLEMENTS: Go ahead.

ARMENDARIZ: How does this duplicate efforts or expand the efforts of the Joint Commission that the hospitals already listened to their recommendations?

JASON KRUGER: Yeah, not, not every hospital in Nebraska is Joint Commission.

ARMENDARIZ: Right, or a similar organization.

JASON KRUGER: Joint Commission, and Joint Commission, it will come and assess and do tours, and I think that, that is, is helpful. But to have-- to be part of a patient safety organization where you can share in a confidential manner in de-identified ways. You know, these are errors, these are mistakes. Teaching small hospitals how to do a root cause analysis, where the quality director is likely also the health supervisor, the chief nurse, and maybe runs an outpatient clinic. How to do kind of thorough, you know, analyzes to try to prevent harm for their patients is, is something that we, we are able to do and provide for these hospitals.

ARMENDARIZ: So it is-- it sounds like it's in the best interest to participate in the program because it's confidential. It can help you from getting fined or, or [INAUDIBLE].

JASON KRUGER: Virtually almost every hospital in Nebraska participates in--

ARMENDARIZ: Yes, [INAUDIBLE].

JASON KRUGER: --the Nebraska Coalition for Patient Safety. And they all pay, you know, fees for that. We want to encourage everybody to be a part of this. Our concern is if you raise dues to such a high level it would discourage, especially our critical access hospitals, from participating in this and getting the most benefit out of this.

ARMENDARIZ: Thank you.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

JASON KRUGER: Thank you very much.

CLEMENTS: Are there other proponents?

CARLA SNYDER: Should I go ahead or do you want to wait until you get-- OK, I'll go ahead. So good afternoon, my name is Carla Snyder, and that is C-a-r-l-a S-n-y-d-e-r, and I'm the Executive Director for the Nebraska Coalition for Patient Safety. My clinical background is in laboratory medicine, and I have a master's in health care administration. I've also earned a Certified Professional in Healthcare Quality designation from the National Association of Healthcare Quality. I've been with the Coalition for just a little more than 4 years, and I've previously worked in a variety of clinical settings where patient quality and safety were part of my job, and in each I witnessed unintended events of patient harm. Health care is delivered in a highly complex system, regardless of the size of the organization or the care setting. When patient harm does occur, it's important to find the system gaps that allowed such harm to occur. NCPS accomplishes this by providing a confidentially-- confidential legally protected space for members to report their patient harm events. The fear of reporting is removed and those events are then used as a window into understanding how such an event occurred and how to prevent it from happening again. Each month NCPS de-identifies an event that's been reported to us and we provide it back to our members in such a way that they can review their own processes and procedures to verify that that same type of event could not occur in their setting. And if in that review they find out it could, there are evidence-based resources provided so that they could take steps to close that gap. Additionally, NCPS provides training to individual

organizations and at regional workshops and webinars which help organizations develop a culture of patient safety. This includes communication and teamwork training. It also includes establishing a just culture. That's where management provides systems making it easy to do the right thing and staff are accountable for their actions. NCPS also teaches members how to conduct a root cause analysis so that the cause of a harm event can be identified and then steps taken to mitigate it. Since 2020, members have reported almost 143,000 events of harm. Our reporting committee has done in-depth reviews of 140 of those, and we've hosted 51 different webinars and presentations on a variety of patient safety topics. We've created 71 shared learnings based on those events reported to us, and 20 times we've gone out to member locations to do on-site training, whether it's a day or 2 days. We currently have 75 members from all care settings. They rely on us to function as patient safety consultants. Without NCPS providing these patient safety activities, it will be difficult for current members to obtain similar services. We have purposely kept our membership rates low to ensure that even critical access hospitals and other small facilities can benefit. Medication errors and fall events are the most highly reported events. In addition to the harm, the human pain and suffering, the financial impact of such events is significant. The estimated cost per patient for a fall can be up to over $13,000. Reports vary on the total annual cost of preventable medication errors in the U.S. health system. But it is probably fair to say it's at least over, over $21 billion across all care settings and it affects more than 7 million patients. So this is just one example of the downstream savings that could result from a modest investment in patient safety. LB1106 is a prudent investment that will ensure NCPS can continue its work to make health care safer for patients across our state. Anything else-- any questions you wanted me to--

CLEMENTS: Are there questions?

CARLA SNYDER: I, I sent around the list just so you would know. You can see that it's pretty wide, the number of people, the, the hospitals that are members. The other thing I didn't give, but I will leave with you, these are some of the flyers for those training events that we do, if you would be interested.

CLEMENTS: I had a question. The--

CARLA SNYDER: Yes.

CLEMENTS: --the recirculating of actual events, does that only go to these members to review?

CARLA SNYDER: So because of the confidentiality, there are certain things like those de-identified events are behind the firewall, only a member can see them. We are doing more where we're putting things-- because not every doctor works in a hospital, not every nurse works in a hospital. So we've moved more things that are available on the-- on our website that you don't have to be a member to see. We've got some on-demand recordings now. Basically, how to do a root cause analysis, patient safety 101, there's probably four or five things that are out there that people can look at. Just this week we had a webinar on how to chart effectively so you-- if, if it becomes a legal issue, the pitfalls, and that is actually on the front side that you don't have to be a member of NCPS. So we do, do a balance. We wanted-- we want to show value for being a member. And, yet, we want those resources available to people who might not. I didn't mention it in my, my talk, but I've done where I facilitated a root cause analysis via Zoom for somebody who was unsure. There's, there's kind of a turn-- as any, any organization, where there's a turnover of those people that are doing quality and risk. And so sometimes they've not done it before or sometimes it's kind of a political issue within their own hospital. So I act as that outside person that helps them set up and facilitate that root cause analysis so they can figure out what happened. So I always say so that what happens in Chadron doesn't happen in Wahoo and vice versa and all around.

CLEMENTS: All right. Senator Armendariz.

ARMENDARIZ: Thank you. I noticed that Nebraska Medicine is not on the list.

CARLA SNYDER: They chose probably 2 years ago to go with a, a PSO that is specific for academic medical centers. We'd really like to have them come back as affiliated member just because there are so many times that you see people are at, at Nebraska Medicine for their transplant or for some specialty care. And then they go out to a critical access hospital where they live. And so it would just be really helpful, but we haven't gotten there yet, but we really want to.

CLEMENTS: Another question. We, we can't find an annual report online since fiscal year 2022. Do you know how much you're getting in dues, currently?

CARLA SNYDER: I, I have to admit, that, that is exactly true. We've had a turnover in some staffing. And so that is like one of my top priorities is to get that annual report for the past year. I would refer you to-- we have in the December 2025 newsletter, and that newsletter is available, anybody can look at it. I did outline those things that we had done in 2025. That doesn't take the place of an annual report. But I recognized it as a gap. And so that's how I chose to try to mitigate that gap. Right now, we're working with a, a, a, a data analyst and looking at all of our data, because that helps. Our members know what they need to do. That helps inform us what we need to do in order to offer the trainings and education that is needed.

CLEMENTS: And this $300,000 request would be what percent of your operation expenses?

CARLA SNYDER: So it would probably be-- right now with our member fees, we have-- we get probably-- and with some sponsorships, we get like $150,000. We need like-- probably more like $350,000 or $400,000, otherwise we'll have to look at, like, cutting back on some of the services. We have not rehired, so there was a change and I was the interim executive director from June till January. And the position I had previously, the program director position, has not been refilled. We didn't want to go ahead and do that unless we knew that we would be able to financially afford that. The other big price that you see, if you look at our budget, is there software that allows for the transfer of members' data from their risk management system to our, our, our system so we can, like, analyze that. And it's fairly pricey, it's like $55,000. We also did change within the last year and a half to an easier way for people to online-- for a member to report an online event, a single event, instead of that whole data dump.

CLEMENTS: Are all fees terminated now or just some of the fees?

CARLA SNYDER: So we've, we've had really good success with members paying their fees, absolutely. And we're just getting ready to-- we, we bill January, February, so the bills are just about ready to go out.

CLEMENTS: Well, I thought the senator said that December of 2025, there was a sunset of license fees. Was that for everybody or just doctors or--

CARLA SNYDER: So that was LB65, I believe, was, I'm sorry, or 45, I'm, I'm sorry, I can't remember the number, but it was for 5 years only,

and it did sunset at the end of 2025. The whole thought was, let's get all those health care workers involved and get everybody to-- you know, it's a common good. It's not a-- I don't-- some people say, oh, it's like it's tax, a public tax. I don't want to say it like that. Tax has bad connotation. But that it is a public good that we're doing for the whole state. And so I totally get it, physicians and PAs were like, let's roll, let's have other health care providers. And it just became too difficult because there's a concern that there might be other organizations or other requests for licensure fees on those same health care workers.

CLEMENTS: All right.

CARLA SNYDER: So that's why we pivoted.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. So your-- so the fees that you are getting are from the hospitals that are participating?

CARLA SNYDER: Correct.

ARMENDARIZ: OK.

CARLA SNYDER: That would be the only-- I'm, I'm looking at grants just because we-- yeah.

CLEMENTS: All right. Thank you.

CARLA SNYDER: Grants outside of this.

CLEMENTS: Any other questions? Seeing none, thank you for your testimony.

CARLA SNYDER: Appreciate your time. Thank you

CLEMENTS: Additional proponents? Good afternoon.

DANIEL ROSENQUIST: Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Dr. Daniel Rosenquist, D-a-n-i-e-l R-o-s-e-n-q-u-i-s-t, and I am here today on the behalf of Copic, which is the largest medical professional liability carrier in the state. We are a Nebraska-licensed, physician-directed medical professional liability insurance company-- carrier that insures both providers and health care facilities. Personally, I practiced family

medicine in Columbus for 38 years, where I served on Columbus Community Hospital's patient safety committee since its inception in the early 1990s. As full disclosure, I'm a former member of the Board of Directors of the Nebraska Coalition of Patient Safety, NCPS, where I also had a term as Vice Chair of the Board, and I continue to serve on the NCPS reporting committee reviewing events, near misses with a focus on systems, policies, procedures, and harm reduction. I believe in the work that NCPS does because I have seen the benefit of the analysis and subsequent education that it provides to health care providers. I am here today to urge your support of LB1106, which would provide critical funds for the continued work of NCPS. Since it was founded in 2006, NCPS has continued its valuable work to improve patient safety in Nebraska to the benefit of both patients and the health care community. The organization works with medical providers and professionals in a variety of health care settings and offers them resources that serve to mitigate risk and improve the quality and safety of medical care. NCPS encourages voluntary reporting of harm and near-harm events in order to formulate data. The organization conducts aggregate analysis of reported events to identify patterns and trends and then uses that information to develop educational resources that, that include best practice recommendations. Copic recognizes that better outcomes for patients benefit the entire health care system in Nebraska. And we are proud of our continued partnership with NCPS. NCPS has, has worked-- has improved quality of care, encouraged continuing physician and provider education, promoted the well-being of both providers and, and patients in the state. In order to improve the delivery of safe quality care for Nebraska, I urge you to support LB1106. Thank you for your time, I'm willing to address any questions you may have that I, that I can try to answer. My handout today is a, is a letter from Dr. Jerry Zarlengo, who is the Pres-- the President and CEO of Copic in support of this as well. Thank you.

CLEMENTS: Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here, Dr. Rosenquist. So this isn't about the bill. I had one of the pages pass something out to the committee. As you well know, because you've been the doctor of the day many times, I talk about my favorite periodical, The Bean Bag. But there's another periodical that I also like to look at, and it's the Nebraska Medical Association. And their, their winter had a bunch of awards on it. And so I asked the page to hand out this article that is the 2025 NMA Physician of the Year, Dr. David Rosenquist-- Daniel Rosenquist, sorry. And I just have appreciated working with you so much over my time in the Legislature, both on HHS and here. And when I

saw this, I actually talked to my husband about it in, like, December. I was like, hey, I know that guy. And he's like, hey, you're a nerd. Me, not you. So I just wanted to thank you for your service. Thank you for participating in the doctor of the day program. It means a lot to all of us. It keeps us all going. And I don't think that the greater public knows that service that you do to us and your many years of, of service to the community of Columbus. And I hope that you are going to enjoy those grandchildren in your retirement. So thank you.

DANIEL ROSENQUIST: Thank you very much. And I-- I mean, the doctor of the day program is something that I've always wanted to support and would like to continue, but other commitments. Thank you.

M. CAVANAUGH: Thank you.

CLEMENTS: Other questions? Seeing none, thank you. Congratulations, Doctor. Thank you for your testimony. Other proponents for LB1106? Seeing none, anyone in opposition? Seeing none, anyone in the neutral capacity? Seeing none, Senator.

PROKOP: So who had on their bingo cards that The Bean Bag magazine is going to get referenced today. I hope Dr. Rosenquist appreciates just how high of praise that is from Senator Cavanaugh because being a, being an aisle mate, she talks about it frequently. Not going to say too much, but frequently. Well, thank you all again for the time this afternoon. I-- just a couple, couple comments as we close here, and I want to make sure we're, we're square on something. So to, to your question around the fees and what's going away, what's not. So just to be absolutely kind of crystal clear on this. So the, the member fees are, are continuing. So those are not going away. Those are the fees that I talked about that they're levied at either $100 to up to $10,000 based on size of facility that's participating. So that's still intact. That's still funding the program. And, again, voluntary if the program or the facility wants to participate. What has sunset is the licensure fees. That's the $50 fee for, for the physician, $20 fee for the physician's assistant. So that's where this request for Health Care Cash Fund dollars is, is hoping to make up some of that, that lost ground there. At the end of the day, for me and why I was interested in bringing this, this bill is-- and, and was mentioned by, by Dr. Kruger when he, when he gave his testimony is, you know, the Fremont example of one of those big incidents that we had in the state and opportunities and learning that we can do from those types of things to make sure we don't have those type of experiences. So it's that continuous learning, continuous improving-- improvement, making

sure that our health care, our systems and settings are as safe as possible. So I think it's that shared learning across facilities all across the state who are participating in this. Hopefully, if we do this and, and the program continues in a way that, that supports those entities, we'll continue to see improvements in patient safety. So thank you all for your time.

CLEMENTS: Senator Cavanaugh.

M. CAVANAUGH: Thank you for not having it go unnoticed that I mentioned The Bean Bag. I did that mostly because this was your bill and I know how much you like hearing me talk about it. Not too much.

PROKOP: No.

M. CAVANAUGH: Just often.

PROKOP: No.

CLEMENTS: Seeing no other questions,--

PROKOP: Thank you.

CLEMENTS: --thank you, Senator. We have position comments for the record: proponents 16, opponents zero, neutral 1. That concludes the hearing for LB1106, and that concludes our hearings for today.