

of the Legislative Journal.)

SENATOR CROSBY: LB 1188, Mr. Clerk.

ASSISTANT CLERK: LB 1188 was introduced by Senators Matzke, Jensen, Klein, Pirsch, Schimek, Wesely and Wickersham. (Read title.) The bill was read for the first time on January 11 of this year, referred to the Health and Human Services Committee. That committee reports the bill to General File with committee amendments.

SENATOR CROSBY: Senator Wesely on the committee amendments.

SENATOR WESELY: Madam President and members, it's a pleasure to offer to you LB 1188, introduced by Senator Matzke and myself and several other members of the Health and Human Services Committee, along with Senator Wickersham. We studied the issue last year in the Health and Human Services Committee. The question of purchase of nonprofit hospitals by for-profit entities, this issue has been of great concern of late. It...and let me give you a little background on the issue, and then I'm going to...there are some amendments pending and so I will get to the committee amendments in a second, but just to lay the groundwork. St. Joseph's Hospital in Omaha went from a nonprofit entity to a for-profit entity back in the early eighties. Midlands Hospital in Omaha likewise has, I believe, become a for-profit. Otherwise, across the state of Nebraska, all hospitals are nonprofit entities. With the changes in the marketplace, with managed care being required in Medicaid as of last year, with the discussion in Congress of changing Medicare to a managed care system so that both the Medicaid and Medicare health care systems would become managed care, with the discussion and action in the private sector with health insurance frequently and rapidly moving toward managed care, those who are providers of health care have looked at the need to create systems and networks to be able to compete for the business of managed care. As a result, the largest entity in the health care system are our hospitals. They account for something like 40 percent of health care expenditures which, in our state total over \$5 billion a year, is what we spend on health care. So that's a very large industry to our state, the hospital industry, and a very big player in the health care industry itself. So as changes have occurred in managed care requiring systems to be developed, so have providers responded