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Floor Debate
April 16, 2013

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LB232A LB242 LB263 LB265 LB269 LB271 LB306 LB341 LB347 LB388 LB405 LB406
LB495A LB495 LB497 LB528 LB530 LB561 LB577 LB578 LB585 LB589 LB595A
LB595 LB612 LB613 LB629 LB646 LR22 LR151]

SENATOR CARLSON PRESIDING

SENATOR CARLSON: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixtieth day of the One Hundred Third Legislature, First Session. Our chaplain for today is Pastor Paul Malcomson from Light of the World Gospel Ministries in Walthill, Nebraska, Senator Bloomfield's district. Please stand.

PASTOR MALCOMSON: (Prayer offered.)

SENATOR CARLSON: Thank you, Pastor Malcomson. I call to order the sixtieth day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

SENATOR CARLSON: Thank you. Are there any messages, reports, or announcements?

CLERK: I do, Mr. President. Your Committee on Enrollment and Review reports LB55, LB79, LB79A, LB158, LB203, LB230, LB263, LB265, LB271, LB388, LB495, LB495A, LB528, LB612, and LB629, all of those bills reported correctly engrossed. Mr. President, Enrollment and Review also reports the following bills to Select File, some of which have Enrollment and Review amendments attached: LB68, LB205, LB341, LB269, LB497, LB595, LB595A, LB585, LB97, LB646, LB232, LB232A, LB306, LB589, LB242, and LB44. And finally, Mr. President, Judiciary Committee, chaired by Senator Ashford, reports LB561 to General File with Judiciary Committee amendments attached. And that's all that I have, Mr. President. (Legislative Journal pages 989-998.) [LB55 LB79 LB79A LB158 LB203 LB230 LB263 LB265 LB271 LB388 LB495 LB495A LB528 LB612 LB629 LB68 LB205 LB341 LB269 LB497 LB595 LB595A LB585 LB97 LB646 LB232 LB232A LB306 LB589 LB242 LB44 LB561]

SENATOR CARLSON: Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda.

CLERK: Mr. President, LB577 is a bill offered by Senator Campbell. (Read title.) The bill was introduced on January 23 of this year, referred to the Health and Human Services Committee for purposes of conducting a public hearing. The bill was advanced to

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General File. I have no committee amendments. I do have an amendment from Senator Campbell, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Mr. Clerk. Senator Campbell, you're recognized to open on LB577. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. In February, I received a note from a constituent. "Dear Senator Campbell: Too many working poor Nebraskans are without health insurance because they make too much to qualify for Medicaid but too little to afford insurance premiums. Personally, I am a quadriplegic and require daily home healthcare to maintain my independence. I work part time, yet I currently make too much money to be eligible for Medicaid yet too little to afford private health insurance premiums that would cover the expense of my home healthcare. There is really, at some point I wonder, no incentive for me to work." At the end of the discussion of LB577, the Legislature will send a message regarding healthcare. For me, this isn't a message to the President, to Congress, or the political parties, or to groups. It is about what the Legislature deems is the best public policy for Nebraska and what message do we send to Nebraskans. The United States Supreme Court affirmed in its Opinion of June 28, 2012, that the Affordable Care Act is the law of the land. And following that announcement, Governor Heineman last fall chose a federally based healthcare exchange or marketplace for Nebraskans to access healthcare insurance and to take advantage of federal subsidies if they are eligible. But the U.S. Supreme Court also affirmed in its Opinion that it should be left to the states if each wanted to expand its Medicaid coverage for low-income citizens. It is in addressing this option that Nebraska's message will be decided. The Nebraska Legislature has a history of discussing and setting policy for its Medicaid state plan. Congress established Medicaid and it was signed into law in July of 1965, and it was optional to the states. By the end of August of the same year, the Nebraska Legislature had adopted Medicaid and it was operational beginning July 1, 1966. Congress added the Children's Health Insurance Program, or CHIP, to its Medicaid program, again an optional program, in 1997. By 1998, the Nebraska Legislature had adopted CHIP. What exactly is Medicaid? Unlike Medicare, which has eligibility tied to age, Medicaid is a means-tested program. Eligibility is based on income and population group. It is a health insurance for low-income children, pregnant women, the elderly, the blind, and people with disabilities. Also, a small number of very poor parents, below 54 percent of the poverty level, are eligible. Unlike Medicare, which is administered and paid for by the federal government, Medicaid is a shared partnership between the federal government and the states, with the feds matching 55.7 percent to our state's 44.3 percent. And each state develops and administers its own state plan within federal guidelines. The intent of LB577 is to require an amendment to the Nebraska Medicaid state plan to add the newly eligible adult population outlined in the Affordable Care Act, and it stipulates the health coverage provided under the program. Let's now turn to what is the major points in LB577. The bill provides for expanded eligibility to low-income

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childless adults age 19 through 64 with incomes of zero to 138 percent of the federal poverty level. LB577 stipulates the use of a Secretary-approved coverage benchmark. This coverage will use the current Medicaid state plan benefit package. If a problem ensues with the Secretary-approved coverage, an alternative benchmark must be submitted by Nebraska. LB577 specifies that the expansion will include benefits required by the ACA and will comply with the Mental Health Parity and Addiction Equity Act. LB577 reiterates the newly eligible low-income adult population will qualify for the enhanced federal assistance package as outlined in the ACA. The federal match for the first three years is at 100 percent aid, with step-down increments over the years to 2020, when the rate is finally set at 90 percent. LB577 provides for the essential health benefits described in the ACA and includes a definition of habilitative services, and that definition had been left to the states to provide. LB577 addresses inequity regarding subsidies within the ACA. Under the ACA, childless adults with incomes below 100 percent are not eligible for subsidies to purchase insurance in the health exchanges. Without the Medicaid expansion, these adults will not qualify for any assistance, leaving them uninsured. But what about the cost? Some of you have commented this is a lot of money, and, yes, it is. But as we gain more knowledge of how to repurpose our General Funds from savings prompted by the ACA, we have a new fiscal note, and I hope that you will take a look at it and no doubt others will speak to it. Senator Nordquist introduced LB578, which is on General File. It provides that funds now utilized for Nebraska's adult CHIP could be redirected to help us save and pay for the outlying years of Medicaid expansion. It just isn't a question of what that cost is but what will it cost if we don't expand Medicaid. All of us are paying that cost. Some of those costs are financial, some of those costs are as a society, and some of the highest costs are borne by the individuals themselves. Let me share with you a brief list of what costs we are currently incurring: the costs for expensive emergency room care for unaddressed medical needs; the costs in uncompensated care provided by our hospitals and healthcare providers; the costs in increases to each of us through our medical bills and our health insurance premiums, estimated to be over \$100,000 annually per family per year; the costs borne by our employers in lost productivity through employee illness; the costs by our counties in general assistance funds to pay for medical expenses, paid with our property taxes--the three largest counties estimate this to be annually at \$6.8 million; the costs by our public agencies for mental health and substance abuse services; the costs in foreclosures and bankruptcies as a result of uninsured individuals; the costs of the federal taxes we pay which would not come back to benefit Nebraska. We will pay for other states. We will pay for their low-income uninsured population while our citizens remain uninsured. So what will be the message to Nebraskans? As we gear up to increase access to affordable healthcare, do we say, "Oh, we don't think we can cover those of you from that level of...to 138 percent of poverty even though there is the offer of... [LB577 LB578]

SENATOR CARLSON: One minute. [LB577]

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SENATOR CAMPBELL: ...100 percent federal participation; the rest of us will just go on"? Or do we say, "We can make this work"? These are our tax dollars, with a federal share of \$2.3 billion estimate over the years. We can bring those dollars back to Nebraska and serve our people. Some say, well, it will come down to money, but I've learned that for every dollar figure in a budget book, it really comes down to people, people in the state of Nebraska. What will be our message to these Nebraskans? Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Campbell. As the Clerk indicated, there is an amendment. And you're recognized, Senator Campbell, to open on AM1011. (Legislative Journal page 999.) [LB577]

SENATOR CAMPBELL: Thank you, Mr. President and, again, colleagues. The amendment that is before you, AM1011, is an amendment that would address some of the suggestions that you have talked with me about. Since 1965, the federal government and the state of Nebraska have had a partnership with regard to Medicaid. Not once in the ensuing years has the federal government failed to keep its pledge of support for Nebraska Medicaid. As per the federal law, the federal matching rate can fluctuate, and it does, in terms of how those two partners come together to pay for it. This federal rate is called the FMAP. Right now it is, as I stated, 55.7 percent, and it has never been lower than 53 percent. It is determined by the relative strength of a state's economy to the other states. Because the Nebraska economy has been stable in spite of the recession and, in fact, done better, thanks to our ag sector, Nebraska's FMAP was lowered slightly for next year. The 100 percent federal match for the first three years of Medicaid expansion is part of the ACA, the federal law, and would have to be adjusted by an act of Congress. It is not just a part of the rules and regs. When we drafted LB577, we believed, and continue to do so, that the federal participation will remain firm, but in discussion with some of you, suggestions came forward for a trigger. Such a mechanism should be attached to LB577, should problems emerge with that federal participation rate. The amendment addresses this suggestion, that if that falls below 90 percent for the Medicaid adult group described in the bill, the Legislature, in the first regular legislative session following such reduction in the federal medical assistance, and "medical assistance" is the legal word for Medicaid, shall determine whether to affirm, amend, or repeal the eligibility of such group or take other action allowed under the medical assistance program to reduce state expenditures for the medical assistance program. Therefore we would have some options if it fell below that 90 percent. We would have the option to remove the newly eligible group, we would have the option to revise/amend the coverage for this group, or we would have the option to revise our state Medicaid plan to bring it in line with expenditures. A number of states revised their state Medicaid plan during the recession, making cuts in services and benefit components. An example of that happening in Nebraska came from the LR542 budget study. I introduced a bill on behalf of the Governor, with the affirmative vote of the Health and Human Services Committee, that removed, I repeat, removed a

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group from Medicaid coverage. And looking at legislative action from 1993 through 2001, the Legislature passed 31 bills relating to revisions in the Medicaid plan or affecting that plan. Another suggestion was to insert a sunset provision. In 2020, when the federal participation reaches the floor of 90 percent, the amendment stipulates an intentional review by the Legislature of Medicaid expansion, and the Legislature must vote to extend it. It requires a policy review by this body, just as the Legislature has reviewed and refined our state Medicaid plan since 1965. I want to thank all the members for their thoughtful review of LB577 and taking the time to sit down and make comments to me to help frame this amendment. Before concluding these remarks, I want to share a question I received last week, and the question was: Why not just wait a year? I posed the question to the Legislative Fiscal Office to know what the ramifications would be. The federal participation of 100 percent is only available in 2014, 2015, and 2016. Forgoing one year would mean leaving \$423 million federal dollars on the table with still a population group waiting for coverage. Colleagues, both LB577 and the amendment AM1011 is meant to address a component that had originally been in the ACA but was drawn out separately by the Supreme Court for states to look at. I look forward to a thorough discussion of the bill. And thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Campbell. Members, you've heard the opening on LB577 and the amendment AM1011. The floor is now open for debate. Senators wishing to speak include Kintner, McCoy, Mello, Gloor, Nordquist, Howard, and others. Senator Kintner, you're recognized. [LB577]

SENATOR KINTNER: Thank you, Mr. President. What I have before me is the Affordable Care Act, the 2,700 pages that Congress didn't read before they passed, the 2,700 pages the bureaucrats are busy reading, trying to figure out what's in it. They've added another 5,000 or 6,000 pages, right now, of regulations. The regulations are changing daily. And in here somewhere is this expanded Medicaid that we're talking about today. I haven't read 2,700 pages. I don't know what pages cover it. But in here is what we're talking about today. As Senator Campbell correctly stated, we have been able to debate this because the Supreme Court has taken the expanded Medicaid out of the Affordable Care package, or better known as Obamacare to a lot of people. And we're being asked today to expand this to cover people that are just outside of what we're covering now, and I would like to ask Senator Campbell a question. Would you yield, Senator Campbell? [LB577]

SENATOR CARLSON: Senator Campbell, would you yield? [LB577]

SENATOR CAMPBELL: Yes. [LB577]

SENATOR KINTNER: So if I understand your amendment, we're going to come back in four years and relook at this. Is that what your amendment...? [LB577]

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SENATOR CAMPBELL: Yes. [LB577]

SENATOR KINTNER: So, really, this is kind of a temporary program until we can relook at it and say for sure if it's going to work the right way for us. [LB577]

SENATOR CAMPBELL: Well, I think what members wanted, Senator Kintner, was a way for the Legislature to monitor this program. And because we have the policy decisions with regard to the state Medicaid plan, it would afford us that opportunity to make revisions, as we have done since 1965. [LB577]

SENATOR KINTNER: Thank you. We know...I used the word "temporary" government program because Milton Friedman once said there is nothing more permanent than a temporary government program. And I'm trying to...I've had my staff look at a government program, a big government program that we instituted and then we went back and got rid of, and they came up with goose eggs. They could not find a program that we instituted, ran for a while, and it didn't work. If you take Head Start, we finally...this year, reports are coming out, Head Start hasn't very...worked...hasn't worked very well, but there's no plan to get rid of Head Start. We look at the Bush Medicare prescription drug program, and it was sold to us as, hey, we're going to help these people get prescription drugs. And it's come in way, way, way above what they ever said it would cost. Medicaid is way, way, way above what anyone ever thought it would be in 1965. Matter of fact, if the people in...the Congress in 1965 saw what Medicaid had become, I don't think they would even vote for it. You know, Ronald Reagan said that the best government program is a job, and I, you know, I would much rather lift people up, give them economic opportunity, give them a job, and not give them a way to muddle around in their life going paycheck to paycheck. You know, these people are one tax hike away from not having enough money to make it. And we're looking...the kind of money we're looking at right here, you know, we only have three pools of money in this state. We have Medicaid; we have education, that's K through postsecondary; and then we have the taxpayers. So when we implement this and it starts spiraling out of control, we're going to go to education and we're going to cut as far as we can. We'll probably take a little money out of roads and a few other things. But eventually we're going to have to go to the taxpayers. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR KINTNER: And we're going to have to go to the taxpayers and we're going to say, we need you to pay more money; we need you to work a couple extra hours this week to not only pay for your healthcare but to pay for the healthcare of others. And then we get to the question of what about the people currently on Medicaid. If we throw all these additional people on, and the people on Medicare are the most vulnerable people right now, what's their healthcare going to look like if we flood the market with

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more people? So I think we do need to debate this. I have severe reservations about spending this kind of money not knowing where it's going to go. And, Mr. President, thank you for my time today. [LB577]

SENATOR CARLSON: Thank you, Senator Kintner and Senator Campbell. Senator McCoy, you're recognized. [LB577]

SENATOR McCOY: Thank you, Mr. President. I would yield the balance of my time to Senator Gloor. [LB577]

SENATOR CARLSON: Senator Gloor, 4 minutes and 50 seconds. [LB577]

SENATOR GLOOR: Thank you, Mr. President. Good morning, members. Thank you, Senator McCoy, for yielding time to me. I appreciate Senator Campbell introducing LB577, the amendment. As you might imagine, this is the sort of bill that I came to Lincoln to hopefully sink my teeth into. But I find myself with this bill, as meaty as it is, as important as it is for us to have a discussion on, one that I am and need...a skeptic and need to be convinced. I was an abstention on this bill when it came out of committee, and as you can imagine, as having been a member of the healthcare industry for as many years as I was, over 30, I've had a lot of business associates, peers, friends in that industry that have lobbied me pretty considerably about this issue. They have done so educationally. They have done so politely. And I hope that's the quality of debate that we have on this. But I am a skeptic. I don't normally read when I'm at the mike unless I'm presenting a bill, but I need to do so because as important as this issue is, I don't want to be misquoted or make misstatements. Members, the U.S. Supreme Court is in the process of hearing arguments that have an indirect but I think very relevant ramification for Medicaid expansion, and I want to use this as an example. The case being heard relates to agreements between major drug manufacturers who produce name-brand drugs and drug manufacturers who produce generic brands of the same or similar drugs. Consumer and provider groups have raised objections to the revelation that name-brand manufacturers entered into an agreement, basically paid generic manufacturers to withhold their lower-priced generics for a number of years in exchange for yearly payments. Under this arrangement, the name-brand manufacturers continue to dominate the market, I think until 19...or 2020, but the generic manufacturers will make more from their share of the name-brand profits than they could if their medications were sold directly to the market. This arrangement, which clearly harms consumers, is entirely legal, and the arguments before the Supreme Court brought by consumer groups is that it should be illegal. And what does this have to do with Medicaid expansion in this state or any state? I relate this case as a cold, hard reminder of something that I am indoctrinated into, and that is the complexities of the healthcare system and the variety of ways the system operates contrary to what we would consider typical and common-sense business practice. And during the course of this debate, I hope to bring up other examples. To manage and control this system in its

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entirety is not possible. We are intending to offer Medicaid coverage to tens of thousands more Nebraskans, turning them loose in an industry that gets paid for providing drugs and procedures and exams and institutional care regardless of outcomes. Although that's changing, it's still not changed. We're surrendering control of their care, and we are surrendering our tax dollars too, into a system that doesn't operate in the manner any of us would consider a normal, reasonable business would operate. I want to be clear. Dishonesty isn't the issue here, skewed incentives, both to providers of health services and to those of us consumers, is the issue. And changing those skewed incentives and accountabilities is possible, and I've introduced some legislation... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR GLOOR: ...to try and do this. Thank you. But some efforts are underway. The assumption that expanding Medicaid coverage automatically provides equal access and improves quality care is a hope and a prayer. I bring to this debate over three decades of experience in the healthcare industry. I've been heartened, as a result of the Affordable Care Act, by the serious dialogue that we're having. I give credit to the Affordable Care Act for bringing this topic front and center, but I am a skeptic when it comes to expanding Medicaid in this state or any state when institutional dysfunctions, which always trump good intentions, place at risk already scarce tax dollars that we could use for education or infrastructure or to preserve our precious and vital water resources. I would love to expand Medicaid, but I am the worst kind of skeptic: I'm knowledgeable, I'm experienced in this area. I will be a hard sell. I will listen, but I will be a hard sell. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Gloor and Senator McCoy. Senator Mello, you're recognized. [LB577]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I'll try to provide my testimony...or floor debate here in three different sections. First, the fiscal note associated with LB577 should not be lost on anyone. The revised fiscal note, version three, shows that over the biennium there's a \$2.3 million cost savings if we adopt LB577. There's a \$500,000, roughly \$500,000, cost savings the next biennium if we pass LB577. I would draw everyone's attention to page 5 of the Legislative Fiscal Office's fiscal note, which shows a revised amount of what LB577 would cost. Over a seven-year period, it's estimated roughly that it comes close to \$3 million...or I should say the out biennium, FY '17-18 through FY '18-19, it's roughly \$31 million in General Funds; and FY '19-20 it's roughly \$27 million in General Funds. Other aspects, if you look at page 5, are the program savings that Senator Campbell briefly discussed, as well as I know other senators on, no doubt, on the floor debate today will go into greater detail in regards to potential cost savings, in which right now in our preliminary budget, as we work our way through it, the Appropriations Committee took a more conservative

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approach in some of those cost savings. But ultimately, we know and see those cost savings are available in the behavioral health program, both with the mandatory Affordable Care Act actions as well as, if Medicaid expansion was to pass, the potential for up to a \$6 million-a-year savings, which in the fiscal note only realizes that conservative approach of roughly \$4 million a year in savings. Outside of what Senator Campbell also mentioned in regards to the \$6.8 million in property taxes that would be saved on an annual basis with the adoption of LB577 in the three largest counties, there is a bit of misinformation, unfortunately, that's been put forward ultimately by the Department of Administrative Services, Budget Division. And colleagues should have received an e-mail, as I did, in regards to a memo that was done, addressed to Senator Nordquist, from the OpenSky Policy Institute that refutes the administration's 7.8 percent estimated Medicaid growth moving into the future. There's a couple points that need to be clarified in regards to how the Heineman administration came up with this 7.8 percent adjusted Medicaid growth moving forward. They took in consideration the Medicaid program from 1991 through now and which failed to acknowledge that there were significant program expansions made in the early 1990s, as well as the creation of the State Children's Health Insurance Program in the late '90s, which dramatically changes the total growth of Medicaid over the last 20-plus years. Now what you don't see, in regards to the refuting of what the potential fiscal impact may be in the state, is that over the last five years the Medicaid growth rate, of the base Medicaid program, has increased 2.2 percent. I'll repeat that for posterity's sake: 2.2 percent growth in our Medicaid program base over the last five years, a far cry from what the administration has come out saying, that if we adopt LB577, the 7.8 percent adjusted growth which they anticipate will occur. Believe me, I'm here to be on the mike more today, if I need to, to try to refute some of this misinformation. And it is a bit of a concern for me that if you look at the Legislative Fiscal Office's fiscal note in comparison to the Department of Health and Human Services' fiscal note, it's concerning that over this session we've seen a significant number of times in which agencies have tried to politicize legislation. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR MELLO: As you can see on the bottom half of the Legislative Fiscal Office's fiscal note, from the Department of Administrative Services, it says, comments: We concur with HHS analysis and estimates of the fiscal impact. As everyone knows, however, this Legislature operates off what our Legislative Fiscal Office deems to be the appropriate fiscal note, not what the Department of Health and Human Services; the Department of Administrative Services, Budget Division; or any other agency, for that matter, deems what they feel is the fiscal note. So as we continue this dialogue today in regard to the fiscal impact of LB577, be cognizant that there is information that's attached to the fiscal note from the Department of Health and Human Services that, colleagues, frankly is not relevant in today's debate. And if it does become relevant by colleagues bringing that information forward, I will do my best to refute that, because the

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reality is it's the administration's political perspective on the legislation. And ultimately, we have to take in consideration... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR MELLO: ...what our Legislative Fiscal Office says is the fiscal impacts of LB577. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Mello. (Visitors introduced.) Senator Gloor, you're recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. I'll yield my time to Senator McCoy. [LB577]

SENATOR CARLSON: Senator McCoy, 4 minutes and 55 seconds. [LB577]

SENATOR McCOY: Thank you, Mr. President and members, and thank you, Senator Gloor. I rise this morning fully cognizant of the fact that this is probably one of the most serious topics that we might ever take up in this Legislature, in any of our time here, especially in this era of term limits. I love our state. I love how unique our state is. I had the opportunity to grow up, as many of you know, along the southwest border of our state, where the way of life is quite a bit different from the district...the majority of the district, legislative district, that I represent now, which has a large suburban Omaha flavor to it. We're 500 miles wide. We're 1.8 million citizens. We each represent one forty-ninth of them. We're very different across our state. I grew up wearing cowboy boots until I left for college; I still do a lot of the time. You don't see that much in my district now. But what's different about our state is what I love about our state. It's urban, it's rural, it's agriculture, it's industry, it's a cross-section of America that's uniquely us. And that's what we're talking about today, in my opinion. We're talking about a serious, serious topic, one that has implications that will reach far beyond any of our individual time in this body, one that future legislators and future Legislatures will look back into the annals of the Unicameral history to look at how we handled this. And I rise before you this morning with all of those things in mind, as I'm sure we probably all do, because what works across our state, not only in the area of healthcare, in one area of the state may not work in another area. You heard Senator Gloor this morning already articulate some of his concerns, as someone who spent a career in the medical profession as a hospital administrator. I have concerns along a whole host of areas, some of which have already been talked about this morning, others of which will be talked about later on in this debate. Access to care, implications to our budget, all are important topics. I appreciate the hard work that Senator Campbell has done on this issue, along with the Health and Human Services Committee. What we see before us is the product of a lot of hard work. But this is a big decision to make, and it's one that what may work or may have worked or may work in the future for some states may not

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work for us. I'm sure we'll probably hear discussion at some point today on, well, it worked for XYZ state. I would ask you, members, ask, look, because I have. Not one state that has similar demographics to ours has chosen at this point to expand Medicaid. If they have, I'm not aware of it. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR McCOY: This, I believe, is what we really have to look at: What's best, not just for who might come in on this program or who's currently part of Medicaid, but what's best for the 1.8 million Nebraskans we represent? All of them, not just some of them. That's what I hope the tone and tenor of this debate is and why I have major concerns over this legislation. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator McCoy. Senator Nordquist, you're recognized. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. And just to clarify, it appears, very much so, that North Dakota and Colorado are both on track to enact Medicaid expansion. And I would contend that they are similar, at least in many aspects, to Nebraska. But today we're here to talk about an option the federal government has given us to make healthcare, health coverage, affordable and available to low-income uninsured working Nebraskans. And I think most reasonable people in our state can agree that access to health coverage for all of our citizens is a goal that we should pursue. However, there's no doubt that we would not be good fiscal stewards of state taxpayer dollars if we didn't ask the question, how do we pay for it? And the most direct answer and the most correct answer is that we already do. We already use state taxpayer dollars to fund healthcare programs for the uninsured. We have a cobbled-together safety net funded with state General Funds that, unfortunately, catch people at the costly deep end of care rather than catching them at the preventive primary healthcare. That is what we are here trying to do today, is to reorient the dollars that we are already spending on program after program to get people primary preventive healthcare. And because of that, we will be able to do this without raising taxes and without making cuts to other important government programs, like education. This, as Senator Mello mentioned on the fiscal note, it starts with looking at the fiscal note and the cost savings that are already projected on there: \$9.1 million a year we will save because of a state disability program we fund 100 percent with state tax dollars. Medicaid expansion will provide coverage to all of those individuals. We spend about \$1 million a year on an AIDS drug assistance program to help people with AIDS get their prescription drugs. If we pass this bill, not only will they get their prescription drugs but they'll also get full healthcare coverage so they can go see a doctor. And we know it's a serious problem. Many of those people ultimately do end up on disability when they're not able to see their doctor in a timely manner. Seven hundred thousand dollars a year we'll save in our Department of Corrections, and millions of dollars a year in our

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behavioral health system. There are several other direct General Fund offsets that I'll talk about my next time on the mike, to go into more detail, that we will reorient those dollars, General Fund dollars we are spending today that will be shifted to be our match for this program. Outside of state government, we're paying for this care at the county level through general assistance. Our three largest counties have said \$7 million a year is what they're estimating to save if we do this bill. That's property taxes that are being paid in Douglas, Lancaster, and Sarpy, and they're being paid in other counties too. And finally, we pay for this care, all of us, through our own private insurance. Just because someone is uninsured, it doesn't mean that they don't get care. But when they do get care, it gets shifted to everyone with private insurance. They often, unfortunately, have to use the emergency room as the front door to care, and that is where the costly, ineffective, inefficient care, unfortunately, has to be provided. Milliman, Inc., the company the Governor hired to do our estimate, they did an estimate that showed the average Nebraska family spends about \$1,000 a year more in their premium, because when an uninsured individual comes to the ER, the care gets provided, the provider shifts that care into other costs that are picked up by private insurance and thus shifted to the privately insured through higher premiums. So for those of you who don't believe that we can do this, the fact of the matter is we can. The fiscal note is one aspect of that. We will talk about other aspects as this unfolds. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR NORDQUIST: But we are paying for it with state tax dollars, with property tax dollars, and with higher premiums. And if you think about that premium, we hire about 40,000 state workers and university employees. If we were able to reduce that \$1,000 uncompensated care, hidden tax, that is a significant cost savings every year to the state. But for me, this is much more of a moral issue even than a state budget issue. Because with these cost savings and with the federal support, I cannot look a waitress who is battling cancer, or a hair designer who is battling health conditions, or the mom that contacted my office, with three kids, who has MS, who can't work or works very limited amount of time, I can't look them in the eye and say no to this bill. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist. Senator Howard, you're recognized. [LB577]

SENATOR HOWARD: Thank you, Mr. President, colleagues. I rise in support of LB577 and would like to share a story about why I'm an ardent supporter of access to healthcare. Four years ago my sister passed away. She was hilarious. She loved junk food and John Hughes's movies, and she was uninsured. She also worked all the time, especially on campaigns, but none of these opportunities offered her healthcare and her wages kept her below 138 of the federal poverty...138 percent of the federal poverty level. She would have been eligible for the Medicaid option in LB577. Instead, we lost

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her to a prescription pain medication overdose, something that is easy to keep under the radar when you don't have insurance, and almost impossible when you do. You see, when you have insurance, they monitor how many meds you are on and prevent you from getting, usually, more than a 30-day supply. Because Carrie was uninsured, it was very difficult for her to find coordinated preventive care, especially for substance abuse. The New England Journal of Medicine found last year in a study that for every 176 Medicaid-covered lives, 1 death could be prevented. That would mean 500 deaths prevented every year in Nebraska if we take advantage of this option, and it is my belief that one of those people would have been Carrie Howard. When we talk about the people who are living paycheck to paycheck, those deadbeats who would be eligible for this option, please remember that you are talking about the fellow who pumps your gas, the waitress at the co-op, the pizza delivery guy for the Husker game, and ultimately you are talking about my sister, for every person in this body is impacted by a fellow Nebraskan who would be eligible for this option. So it makes sense that I work at a health clinic now. Working at OneWorld, a health center in south Omaha, is my way of fulfilling a calling to help all Nebraskans have a basic quality of life and live out my sister's dream for me that I would finish her work of making people's lives better. In my years at OneWorld, I have seen us prepare for healthcare reform aggressively, working to meet an increased demand creatively. Health centers are this state's last line of defense for healthcare for people who are the working poor, where care is not offered for free but on a sliding fee scale and most forms of insurance are accepted, including Medicaid. We recently opened two new buildings on our main campus at the Livestock Exchange Building, with the anticipation that next year we will serve 10,000 more new patients. Further, we have satellites in west Omaha, Plattsmouth, and three, soon to be four, school-based health centers, which are like mini-doctor's offices in schools. And we work hard to keep our urgent care clinic open during nontraditional hours, after work to 11:00 p.m. and on weekends, to ensure that folks who are the working poor can still get healthcare. There are five other federally qualified health centers across the state who are following suit in expectation of increased demand, from Good Neighbor Health Center in Columbus, who just received funding for a new building, to Norfolk Community Health Center, which is in the middle of an expansion that would double its medical and dental space. Your healthcare safety net is hard at work, and when we say we are ready for Medicaid expansion, we mean it. During this debate, you may hear that the state doesn't have the capacity to serve these folks who would enroll in Medicaid, but your healthcare community, the experts, beg to differ. Further, if opponents of this legislation say we don't have enough primary care providers in this state, I say false. Beyond the increased utilization of mid-level providers for primary care, such as nurse practitioners and physician assistants... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR HOWARD: Thank you...the Nebraska Medical Association testified that most providers carry a patient load of about 2,000 patients, which, given the Milliman

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estimates, Nebraska would need 25 additional primary care providers in the state with the Medicaid option, only 25. We can do this. I can't go back to my district and look my constituents in the eye and say, I had the chance to help you and I chose not to. I can't go home to Sunday dinner with my family and say, I had the chance to prevent the kind of heartache we experienced and I didn't take it. I urge you to support LB577. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Howard. Senators in line to speak include Brasch, Conrad, Dubas, Krist, Cook, Hansen, and others. Senator Brasch, you're recognized. [LB577]

SENATOR BRASCH: Thank you, Mr. President. And good morning, colleagues. Yesterday was a 15-hour day for my staff and I. We dedicated it to one county in the district, Washington County, and we are going to break tradition and move from east to west. Next will be Burt and then Cuming County, moving west. In that 15 hours, 12.5 hours was spent in three town hall meetings and two business tours. One was to ENCOR, a business set up with people with disabilities, housing; another was an ag-related business. And in our town hall meetings, these listening meetings, I explained it is important that this Legislature listen to the citizens, as it does say that the salvation of the state is based on the watchfulness of our citizens, and they are watching and they had questions. They had many questions and many concerns about this. Of the three groups, three communities, there was concern. No one stepped forward in support of LB577. I did explain that I am going to two more counties but I want to hear what those concerns are. We discussed many things besides this, from taxes to economic development, many subjects. But a focus on this wondered: We thought the federal government was broke. Now here we're worrying about our rural hospitals and concerned that they're going to close these rural hospitals because they're sending an auditor saying that we can drive 25 miles to Omaha or here or there. And if the federal government has so much money for free healthcare, are they just going to shift it away from our rural hospitals? That was a question that was asked. The other is: I'm already on Medicaid and, boy, I have to wait a long time; some people don't take Medicaid. If I try calling, you know, the toll-free number or service numbers, you know, I have to hold 25 minutes. When more people come on, am I going to lose any of these services? Many questions, you know, asked. The other question that was also asked at these meetings was the fact that how will it affect, you know, our budgets here. You know, is it a tax shift or is government going to grow? Does government grow? Is that healthy, to see more government grow? When I moved to the farm in 1993 and I left Lincoln, we had the State Capitol, the State Office Building, Department of Institutions, Department of Roads. Has our population grown now to the point where we also have the Galleria Building? We have so many, so many, offices now of government and government services, but we are concerned about a declining population. So what...how much more can we afford? That's the question that people were asking there. And the other fact is that it all boils down to money, money. Are the costs

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affordable healthcare? Does that mean there's a reduction in the cost of services, in the cost of pharmaceuticals? Are those costs going down, being reduced, or are we just kicking the can down the road? And when the government pays, that means we pay. It comes out of our pockets. Yesterday was tax day. Many people had written checks, more checks, and they were concerned on how much more can we pay. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR BRASCH: Are we going to blow up this balloon to where it pops? The other, Senator Campbell talked about 31 sunsets. None of those sunsets were to take away medical care, that I'm aware of. I would like to know if we've taken away any medical care. I have, in 12.5 hours, I have a lot to talk about. So thank you very much, colleagues. [LB577]

SENATOR CARLSON: Thank you, Senator Brasch. (Visitors introduced.) Senator Conrad, you're recognized. [LB577]

SENATOR CONRAD: Thank you. Good morning, colleagues. I rise in support of LB577. I'm proud to stand with my friend Senator Campbell in support of this critical legislation. I'm proud to stand with the 12 bipartisan cosponsors on this legislation. I'm proud to stand with Nebraska doctors in support of this legislation. I'm proud to stand with Nebraska hospitals in support of this legislation. I'm proud to stand with Nebraska nurses in support of this legislation. I'm proud to stand with Nebraska's teachers in support of this legislation. I'm proud to stand with Nebraska's seniors in support of this legislation. I'm proud to stand with Nebraska counties that are in support of this legislation. And I'm proud to stand with the Nebraska churches that are in support of this legislation. I'm also proud to stand with the almost 4,000 residents in my legislative district who will get access to basic healthcare because of LB577 and the over 50,000 Nebraskans who will be able to access basic healthcare because of this legislation. I am proud to stand with the almost 4,500 Nebraska veterans and their family members who will be able to access healthcare because of this legislation. LB577 makes fiscal sense. Look no further than the fiscal note on this legislation. Of course, people can bring in their own numbers. Some of them may be shaded by politics or different philosophies, and that's fine. But at the Nebraska Legislature, we have one guiding principle when it comes to discussing the fiscal impacts of legislation, and that's what's created by our nonpartisan Fiscal Legislative Office. The fiscal note on this legislation shows there is a savings to Nebraska taxpayers by passing LB577. LB577 makes moral sense. LB577 is a work force issue. Study after study shows that people who can access basic healthcare have increased productivity, have less absenteeism, and it helps to level the playing field for those small businesses all throughout our great state that are the real economic engine and driver of our state's economy. No other item we take up this session has as great an impact to our citizens and their quality of life as does LB577. No other item we take up this session has as great an impact on other areas of public

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policy, when it comes to ensuring educational excellence, when it comes to ensuring strong economic development and work force, when it comes to ensuring healthy families. I want to talk a little bit, too, about the cost issues from a different perspective. In recent years, this Legislature has worked to provide tax relief to working Nebraskans because the majority felt that it was important that we keep hard-earned dollars in the pockets of working Nebraska families. For example, to put things in perspective, the tax cut that this body passed last year provides tax relief of about \$67 per year to the average Nebraska family. So think about that and think about what the studies show when we...if we pass LB577, what that means for keeping hard-earned dollars in Nebraska families' pockets. You can look at the UNMC study and see that over a seven-year period it's estimated that Nebraska families will save over \$300 a year by removing this silent tax. So if we're all committed to ensuring Nebraskans can keep their hard-earned dollars in their pocket, this gives you three times the amount of impact that the tax cut bill did last year. That's powerful. That's interesting. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR CONRAD: Thank you, Mr. President. Friends, it's time to check politics at the door and it's time to bring our tax dollars home. It's time to do the right things for our citizens and our future. I thank Senator Campbell for her leadership on this issue and I'm excited for the invigorated debate that LB577 has brought to our proud institution. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Conrad. Senator Dubas, you're recognized. [LB577]

SENATOR DUBAS: Thank you, Mr. President. Good morning, colleagues. I rise in support of LB577 and AM1011. I have been very measured in my approach as I've worked up to where I was ultimately going to fall on this legislation. I think there are very legitimate concerns that were outlined by Senator Gloor. I also believe that there are very obvious benefits, as outlined by Senator Campbell. I did a lot of my own research trying to find where is that objective point that can help me make this decision. For me, I had to put all of these issues on a scale and see which way it tipped, and for me, it tipped in favor of LB577. I spent a lot of time looking at how will this impact the hospitals in my district as well as across greater Nebraska in the more rural areas. What does this mean to them and their ability to keep their doors open and be able to provide care for the residents? As I visited with them, it became clear that it meant moving them from losing money or staying open with the possibility of seeing a modest 1 percent to 2 percent profit margin. What does this expansion mean to quality access for everyone, not just those who will now qualify for this Medicaid expansion, but everyone? Because everyone benefits from having a hospital close at hand. Everyone benefits from having providers close at hand. Everyone benefits, not just those who are receiving this specific program care. For some of my hospitals, they're seeing charity care increase upwards

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of 75 percent. Somebody is paying for that charity care. Who's paying for it? I was told that sick care always costs more than preventive or early treatment. It's about chronic disease management. Hospitals will now be penalized if their readmission rates go up. How do we help them avoid these penalties? We help them avoid these penalties by early treatment and preventive care, and that's what Medicaid expansion will provide. That's what Medicaid expansion will give to these additional citizens, the opportunity to go in sooner rather than later. It's a pay-me-now or a pay-me-later scenario, and pay-me-later always costs more money. I asked them the question about, will this overload the system? I am being told no. They already believe they're seeing these patients but at a more costly point in time. Rather than going into a clinic early on, either through preventive care or early treatment, they're coming to the hospital. They're coming to the emergency room, where it's going to cost so much more and take so much longer for these patients to get better. So not only is that costing us dollars in medical treatment, it's costing us dollars in lost time at the job, lost time away from their family, and so many other areas. One administrator really gave me something to think about and I'd like to share that thought with you. It is easy to make short-term decisions based on reducing risk for Nebraska taxpayers if the federal government does not continue their financial support to Medicaid expansion. It is harder to take the risk and provide better care for Nebraska citizens today by increasing their access to preventive care and chronic disease management while recognizing that it will save the state money in the future. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR DUBAS: Thank you, Mr. President. Today's elected officials will not be in office when those savings are fully realized, but just like we thank our state's forefathers for being conservative and forcing a balanced budget even when it's hard, someday our grandchildren will thank you for making the hard decisions and having the long-term vision for this state's health and finances. And, again, that's where it came down to me as I put all of these issues on the scale--where does it tip? And I believe it tips in favor of LB577. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Dubas. Senator Krist, you're recognized. [LB577]

SENATOR KRIST: Morning, Mr. President, and good morning, colleagues and Nebraska. I have had an interesting few days in my e-mail box, as I'm sure most of you have, and at this point I flash back to last year and the prenatal bill and realize that when we look at Washington, D.C., and say we don't want those kind of politics, we need to look in the mirror, because it's here again this year, and this is the topic. Many of my colleagues so far have said this is one of the most important bills that we will discuss this year; it has long-term ramifications for decades. And they're not joking and there's a lot of pressure to bear. I think the entire staff for the Governor has been talking

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to everybody in this room who will listen. He has a viewpoint. The 49 of us have a viewpoint. But we are supposed to represent 39,000-plus people, and it's not an easy job. But if the people who have been sending me some of those e-mails think that I have not read most of the prop that is sitting on Senator Janssen's desk and Senator Kintner's desk, which is not really supposed to be done in this room, but if they think that I haven't read most of it or tried to glean the parts of it that I need to, to understand the difference between the Affordable Care Act and the third leg of the stool, which is Medicaid expansion, they're wrong. And it pains me to say that when people call me not a real Republican at this point, it shakes my inner being because I am a Republican. I will not change party affiliations. My grandfather and my father were Republican. And I think I've looked at the facts and figures and I have to say, at the end of this debate, as we eliminate the emotion, as I am doing now from my own psyche, I will make a decision and vote what I think is right based upon facts, figures, numbers, statistics, and reasonable safeguards in place, circuit breakers, sunsets, whatever it takes. Abraham Lincoln said the legitimate object of a government is to do for a community of people whatever they need to have done but cannot do at all or cannot so well do for themselves in their separate and individual capacities. In my subsequent times on the mike, and I intend to take my full three, I'll talk about the individuals who came in to the Health and Human Services Committee and talked about the human condition, what is happening in their lives that is affecting them in the healthcare industry and how this bill, LB577, and the amendment, AM1011, are so important to their care. I'd like to also use the words of another prominent conservative Republican. I had the opportunity to talk with staff of Governor Jan Brewer in Arizona. I quote, "As I weighed this medical decision, I have three options but really only one choice. The options were do nothing and watch 60,000 people, including cancer patients in the middle of treatment, be removed from Medicaid when the federal authority for the existing programs expires at the end of 2013." The number for us is 54,000 people. "Follow the will of Arizona voters and restore coverage for up to 100 percent of the federal poverty level--this option is cost-prohibitive in some cases but should be weighed; restore Medicaid coverage... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR KRIST: ...as the voters have demanded, and expand it slightly." My point in reading this is, she goes on to talk about, and I will quote her later in one of my times on the mike, Republicans have no one to blame but themselves for not appealing to the general population and masses when it comes to the next presidential election. So if this is about politics and if most of my constituents or most of the people who have been writing me e-mail want to know if I'm a true Republican, I think we Republicans need to start reaching out and looking at the common man and the people who are going to be affected by this piece of legislation, who are working, the working class, working population below the poverty line that have no other option. They have no other option, including the number is about 2,500 veterans in the state of Nebraska. [LB577]

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SENATOR CARLSON: Time. [LB577]

SENATOR KRIST: Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Krist. Senator Cook, you're recognized. [LB577]

SENATOR COOK: Thank you, Mr. President. And good morning, colleagues. I rise in support of LB577 and AM1011 and ask the Legislature to walk hand in hand and support the input of our state's medical providers in the support of the Medicaid expansion. If you would review, and perhaps you already have, your committee statement, you can see that support was offered by the Nebraska Medical Association, the Nebraska Hospital Association, Bryan Health and Alegent Creighton Health, the National Alliance on Mental Illness, the nurses, nurse practitioners, the Health Center Association of Nebraska, and the Nebraska Association of Behavioral Health Organizations. Healthcare providers across disciplines testified in support of LB577, which will ensure that no Nebraskans are left out of these historic health reforms. These professionals and advocates who provide and advocate for critical care to our neighbors and to each of us strongly urge the Legislature to finally build a healthcare safety net that covers almost every Nebraskan. The reason that physicians, nurses, hospitals, and more supported the expansion of Medicaid in Nebraska is that they deal and work with, on daily life, with the status quo of our healthcare system, which is simply unacceptable and very, very expensive. The uninsured working people in this state live in constant fear of illness. They receive little or no preventive care. When they do show up at the doctor, it's often in the emergency room. As we know, the emergency room is no way to provide preventive care or treatment for chronic illness. It's very, very expensive for the hospitals and for us at taxpayers already, and often disruptive to the treatment of true emergencies that show up. Furthermore, hospitals and providers support expansion of Medicaid to end what is called a silent tax that the insured pay, those of us lucky enough to be able to come up with an insurance premium every month or every six months. The insured pay when the uninsured receive care in the emergency room, or uncompensated care; we all end up paying for that expensive and uncompensated care through higher costs and premiums passed on to those that carry health insurance. Lastly, healthcare providers support the expansion of Medicaid because it is the moral and right thing to do. These professionals take an oath to use their skill to heal the sick and treat the injured. Healthcare providers see firsthand how untreated chronic illness degrades the quality of life for our neighbors. They see how the lack of basic preventive healthcare leads to disruptive illness and disrupted families. A vocal and unbending opposition to this Medicaid option is insisting that tens of thousands of Nebraskans without healthcare coverage can be dealt with by charitable organizations or general commitments to their own wellness. I disagree. Nonprofit hospitals, public health systems, and community organizations are already providing care and support to the

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extent of their capacity, and the sick still go untreated. Jumping jacks, Zumba, and charity care are not a healthcare safety net. In the United States, land of plenty,... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR COOK: ...Medicaid is that safety net. The Legislature should join with healthcare providers across all disciplines and adopt the Medicaid expansion. Those whose lives are dedicated to healing the sick are asking for our support in the names of their patients, their mission to heal, and to a healthier and more productive Nebraska. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Cook. Senator Hansen, you're recognized. [LB577]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I've studied this issue a lot, talked to a lot of people in my district, too, and what I come up with is probably more questions than I have answers. I would like to ask Senator Campbell a couple of questions. [LB577]

SENATOR CARLSON: Senator Campbell, would you yield? [LB577]

SENATOR CAMPBELL: Certainly. [LB577]

SENATOR HANSEN: Thank you, Senator Campbell. You mentioned in your opening, I think, of the amendment about the trigger that...and in conjunction with the FMAP, and the FMAP is a portion of Medicaid that we get from the federal government. Could you explain that a little bit, about what it's supposed to be and where it is now? [LB577]

SENATOR CAMPBELL: Senator Hansen, in the amendment, the trigger is tied to the federal participation as outlined in the Affordable Care Act, not the regular FMAP. So it's tied to the 100 percent and then as it goes down to the 90 floor. If at any point it drops below 90 percent, then the Legislature would come into action in order to choose which option to address that. [LB577]

SENATOR HANSEN: Senator Campbell, I think you're a little ahead of me. What I'm wondering, you know, we don't have a lot of history about this whole process right now. We do have history about Medicaid in the state of Nebraska. We got an e-mail last summer about that some people, I don't know who it was, if it was ag people or business people or anyone, making our annual...or our average per capita income went up so FMAP went down. And you said it was a slight decrease, but what was that decrease? [LB577]

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SENATOR CAMPBELL: If I remember right, and we would probably have to get the exact figures from the Appropriations Committee, it was .46 percent. But, of course, that would be a large number of dollars, yes. [LB577]

SENATOR HANSEN: Which was about \$44 million. Is that correct? [LB577]

SENATOR CAMPBELL: Senator Hansen, you sit on Appropriations. I will gladly accept that figure. [LB577]

SENATOR HANSEN: Well, that's what I read in the e-mail and that's how I remember it. And I know that the FMAP percentages moved from 60 percent to about 57 percent. And now, for some reason or other, we're quoting 56 percent, but that's lower than what they said they were going to pay, and based on different rules, of course. But this is one of the questions I have, that if the federal government with all the problems that they're facing right now, if they can continue that 90 percent. And your amendment may be well-intended. I think it's a carrot. I think it's a carrot to keep us walking toward that goal of getting down to the 90 percent. And I think that 90 percent is still an awful lot. Is there a difference in the group of people? You said there's a different trigger, so is there a different...a difference in the group of people that are on Medicaid right now and the expanded Medicaid that gets a 90 percent participation from the federal government? Are the same benefits going to be offered, any more benefits going to be offered? [LB577]

SENATOR CAMPBELL: In LB577, the Medicaid expanded group would have the same Medicaid plan as we have for our other groups, basically, to address the simplicity of those who may go on and off. And we felt that it was probably the best mechanism to put into LB577. [LB577]

SENATOR HANSEN: Okay. Thank you. There might be a couple things... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR HANSEN: I'm back...thank you, Mr. President...back on the bill, and I'll probably have to come back to this too. But on the bill, page 6, line 8, under the "Nonemergency transportation," is what it starts out, "early and periodic screening, diagnostic, and treatment program services for individuals under twenty-one years of age, pursuant to 42 U.S.C. 1396d(r), and family planning services." Is that an expanded benefit to the new people or would that include the existing Medicaid persons? [LB577]

SENATOR CAMPBELL: They are not included at this point but will be required under the ACA. [LB577]

SENATOR HANSEN: The ones that are in...on Medicaid right now? [LB577]

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SENATOR CAMPBELL: Yes, those will come into play. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR HANSEN: Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Hansen, Senator Campbell. Senators wishing to speak include Crawford, McGill, Kolowski, Ken Haar, Watermeier, and others. Senator Crawford, you're recognized. [LB577]

SENATOR CRAWFORD: Thank you, Mr. President, and thank you, colleagues. I rise in support of LB577 and AM1011. I believe this saves lives. An estimate from the New England Journal indicates that we're talking about 500 Nebraskan lives per year; also uses taxpayer dollars more effectively and uses our private premium dollars more effectively. This taxpayer savings includes, in my own district, an estimated \$200,000 of taxpayer savings to the Sarpy County government per year. But also brings, I believe, a major economic development benefit to the state, not only in our healthcare sector, but beyond. It frees up entrepreneurial capacity and creates jobs; it does not discourage jobs, but it creates jobs and frees people up to take a wide variety of jobs. Just one example on this front: I believe that LB577 provides a safety net so that a young entrepreneur can take a stab at starting a new business in his or her community and know that if he may not make a lot of money in that first year or two, he still will be able to provide healthcare for himself and his...and the other adults in his family...his or her family. Now we are in a major time of shifts in the healthcare system. And we are moving in the direction of paying for performance and making decisions based on evidence. And as Senator Gloor points out, we are not there yet; and that is true. However, as we make this choice on how to vote on Medicaid expansion in our state, we have to ask whether or not it is the case that bringing all of these uninsured Nebraskans into the system and bringing billions of dollars into our state will not help us and facilitate those changes. So I'm convinced after listening to experts, including experts here in Nebraska, that bringing those Nebraskans into the system and bringing those dollars into our state will actually allow us to facilitate those changes in the healthcare system that are necessary so that Nebraska can be on the cutting edge of these changes, important changes in our healthcare system, and use our dollars even more effectively than the estimates that we have in many of the studies that are showing cost savings. I want to address one concern that has been raised in terms of the federal government, and that is the question about whether the federal government will keep its word. So some have raised the concern that if we make this choice now based on the assumption that we're going to get a 100 percent match that goes down to a 90 percent match, the federal government will not keep its word and we'll be left holding the bag. And the Governor has raised this concern that he feels that way, that he has been left holding the bag in terms of special education. So I just wanted to, in

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this turn at the mike, explain the difference between Medicaid expansion and special education federal dollars. In most program...the Supreme Court case that we've just had about the ACA, that has made Medicaid expansion optional for states, has set a new precedent in terms of federalism and federal/state matching. In previous...in all other programs previously, including special education, if the federal government was paying for part of the program, then you really had to do what the federal government asked you to do or risk losing that money. And so if we decided we weren't going to do something they were asking us to do with special education, we would lose all of our special education money. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR CRAWFORD: Thank you. The Supreme Court case set a new precedent, and it said Medicaid expansion is different. You can chose not to expand Medicaid and that will not put all of your other Medicaid dollars at risk. So it is the case here for Medicaid expansion, we have a new set of rules for the relationship between the federal government and the state government. And we will not be left holding the bag. If we decide to expand Medicaid, and then it is the case the federal government does not meet that obligation, which they have never failed to do for Medicaid before, as Senator Campbell pointed out, we can decide not to cover...to pull back and...and not participate in Medicaid expansion and that will not put any of our other Medicaid dollars, Medicaid programs at risk. And as Senator Campbell also noted, we have in the past... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR CRAWFORD: Thanks...cut back coverage. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator...thank you, Senator Crawford. Senator McGill, you're recognized. [LB577]

SENATOR MCGILL: Thank you, Mr. President, members of the body. I do rise in support of LB577, but I'd also like to sincerely thank Senator Gloor for many of the points that he made in his first speech. I liked his use of the term "institutional dysfunction" that currently takes place in our healthcare system. Our costs are absolutely ridiculous. I want to give a shout-out to my mom who is actually in the hospital today. Hi, Mom. We've been struggling to figure out what's wrong with my mom. She's had some strange abdominal pain for a month and has been in and out of ERs, in and out of inpatient care. During that time period, she has had three different CT scans at two different hospitals. That is ridiculous, not only the costs associated...and all of them came up clean, they couldn't figure out what was wrong, based on those CT scans. But three different ones, being doused by radiation each time, within a two-and-a-half-week period. Finally they order an MRI last night and we think we've gotten to the bottom of it. But we have serious problems when it comes to delivery of

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healthcare: the sharing of information, what's being diagnosed, or what tests are being given. Time Magazine did an article just a few weeks ago called, "Why Medical Bills Are Killing Us." And it talks about what Senator Gloor said, the costs of our prescription drugs are sometimes four to eight times more expensive than they are in other comparable countries. Our costs overall of \$7,000 per capita in 2008 is twice as much as it is in other countries. And I do have reservations about how much the Affordable Care Act is really going to change those high costs. But I do support this...the expansion of Medicaid for a couple of reasons, including the fact that...right now one of the reasons our healthcare costs are so high is that, according to Forbes magazine, U.S. spending on annual physicians per capita is about five times higher than in peer countries and that largely goes back to specialty doctors. The article, actually, talks about how primary care doctor utilization is comparatively low in the U.S. compared to those other countries. So anything we can do to help get more of our working families in to see the doctor in a primary care location will help with the costs of folks going into the ER for that help. We could hopefully change the attitude and get people the healthcare they need sooner. And we've already heard a lot of debate about how that is more effective. But the second thing I've been learning as I've been reading is that right now many of our hospitals that take a lot of these uninsured folks get a disproportionate share hospital reimbursement, I guess, from the federal government because they're taking so many people who aren't on Medicaid, Medicare, don't have insurance, and our hospitals are then burdened with those costs. In Nebraska in 2011, we got over \$28 million from the federal government for those hospitals. But part of the Affordable Care Act is to slowly eliminate that funding to help our hospitals with those uninsured patients. And so, you know, when the ACA was drafted, it was meant as one big piece of the puzzle. When you take out the Medicaid expansion, then we really are burdening hospitals to a greater extent because they will no longer, over the years, be receiving that funding. I think 2014 is when that decrease starts to kick in. So those are a couple of the reasons I support it. I will hit my light again to talk about some other reasons, but I'm glad that we've had a very thoughtful debate so far. I know Senator Hansen had a question that Senator Nordquist wanted to have a chance to take a shot at, so I'll yield the rest of my time to Senator Nordquist. [LB577]

SENATOR CARLSON: Senator Nordquist, a minute, 10. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President. I just wanted to clarify with...and try to address Senator Hansen's question about...he questioned about the FMAP and that was going down, and whether or not the federal government was truly living up to its obligation in our current Medicaid program, and they certainly are. The federal FMAP distributes money to states based on various factors, including personal income as one of the biggest. And as a state's income fluctuates, the FMAP rate goes with it. So Nebraska, comparatively to other states, has been doing well, so our FMAP, our state share...or our federal share has gone down, federal support of Medicaid, so our state share has gone up a little bit. And that has fluctuated since the beginning of the program

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in 1966. It's actually been lower than it even is right now. But the federal government has always fully funded Medicaid and the CHIP formula, both of them, since the beginning of those two programs, Medicaid in 1966 and CHIP in fiscal year...it would be 1999. This is a little different. This won't fluctuate. It is in federal statute. It would take an act of Congress to change this. It's a hundred percent starting January 1, 2014... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR NORDQUIST: Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist and Senator McGill. Senator Kolowski, you're recognized. [LB577]

SENATOR KOLOWSKI: Thank you, Mr. President. Good morning, fellow senators. I stand in support of LB577 and AM1011. We certainly have an economic issue before us, but it's also a moral issue and we cannot forget that aspect. One of the sidelines of this moral issue, along with the economics, is the fact of the coverage of our veterans. In 2010, 2,000 veterans were not insured in Nebraska. And this would expand the healthcare opportunities and coverage to these 2,000 uninsured veterans who make under 138 percent of the federal poverty level. Also, 800 of their spouses would also be covered, of these veterans. And this coverage would go a long way toward assisting all of them. They are between the ages of 19 and 64, living in Nebraska. I would like to also yield my time...remainder of my time to Senator Nordquist, who also knows about this lack of coverage in the areas of our veterans and others, that would like to speak to this. Senator Nordquist, please. [LB577]

SENATOR CARLSON: Thank you, Senator Kolowski. Senator Nordquist, 3 minutes and 35 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I hope in my previous time at the mike I adequately addressed Senator Hansen's question. I'd be happy to answer any other questions about our historical Medicaid FMAP on the floor...or off the mike, if anyone has questions about that. And thank you, Senator Kolowski, for raising the point about veterans. There are a number of low-income veterans who fall through the cracks, who don't qualify for TRICARE. These are not government dependents. These are people the government depended on, that we all depended on, and they deserve this health coverage. I think it's absolutely important to remember the people that we are talking about here and the lives that are impacted by this change. Senator McGill mentioned the DSH payment piece, and I think this is really important to remember. If we are truly concerned about a healthcare work force in our state, LB577 is the best plan to get the healthcare work force we need to serve all of our citizens. I can't think of a...I haven't seen a better plan to develop a healthcare work

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force to serve all of our citizens than this proposal, which will bring in \$2.3 billion from the federal government between now and 2020 to hire doctors, to hire nurses, to hire allied health professionals in every county of our state. Does anyone else have a better healthcare work force plan than that? But here's the problem: In the grand bargain of the Affordable Care Act, the hospitals said, we are willing to give up our DSH payment, our disproportionate share payment that we get for serving high numbers of the uninsured, for Medicaid expansion because we'll make it up. If everyone has Medicaid, we can give up those dollars. And numbers from the Nebraska Hospital Association show it's about \$105 million. Some of it is in Medicare DSH; some is in Medicaid DSH. The Medicare DSH, to clarify a comment from the Governor yesterday, Medicare DSH, which is...most of this cut starts January 1, 2014. So hospitals all across our state are going to see a combined cut of \$75 million in Medicare DSH. You talk to those hospital administrators, they say, we have no place to go; private insurance isn't going to keep subsidizing this; we have to lay off staff. Now think about this, if our hospitals are cutting \$75 million worth of staff, and Colorado does expansion and North Dakota does expansion, what do you think is going to happen to our healthcare work force? It's going to those states where hospitals have the resources... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR NORDQUIST: ...to hire more staff. We're going to be churning out doctors at the University of Nebraska Medical Center and Creighton University and they're going to be going to Colorado and North Dakota, not rural Nebraska. That is the situation we're in. That's why this is such an important deal for our entire healthcare system, because it was an agreement in the law...the Supreme Court said...made this optional. Well, if we don't take that option, folks, our hospitals are going to be in dire straits. So as we consider this, please take that in mind. Think about the dollars coming in and how you really move our healthcare system forward. That is a lot of federal dollars hiring a lot of doctors and nurses and allied health professionals to meet the needs of our entire citizenry. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist. Senator Ken Haar, you're recognized. [LB577]

SENATOR HAAR: Mr. President, members of the body, first of all I want to thank Senator Campbell for her work on this bill, and also the Health and Human Services Committee. I know you put in many, many hours and it's a good bill. Thank you very much. I think it's important to look at this bill, LB577, as a moral issue. And one of the quotes I often use when I...when it comes to this sort of issue is...one from Hubert Humphrey, and he wasn't the first, it was once said that the moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped. This bill is a moral issue; it's the right thing to do. And I

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got this quote from Hubert Humphrey, but its...goes back and back and back, and, obviously, Jesus said some of the same things when he talked about dealing with the poor and the sick and the needy. And then we look, for example, that in America today, one of three children is covered by Medicaid. One of three children, shame on us. We're the richest country in the world, and yet one in three children has to depend on Medicaid for healthcare. My major concern in the Legislature has been and always will be education. I want to talk a little bit about LB577 and education. Believe it or not, education and healthcare go hand in hand. Any of you who have been teachers or, actually, just parents will know that children need education and healthcare to succeed. And a sick child does not learn well. We all know that. And right now, one in three children has to depend on Medicaid. And there are more children out there that are not covered that need to be covered. And where do parents come in? Well, guess what, healthy children need healthy parents. Part of that is just the learning how to eat and how to take care of yourself and how to...how to exercise preventive care. So not only children but also parents are an important part of healthcare. And LB577 will help extend healthcare to more parents, and these are parents in poverty, folks. When you look at the classroom environment, it takes healthy children and healthy staff. And as many of us know, the most important part, really, of education is parents; it takes healthy parents as well. And so expanding access to Medicaid is a responsible investment in our state's families and our state's futures. It's an investment, an investment that will pay off in better-educated children who can... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR HAAR: ...thank you, contribute to our society and also better-educated workers. LB577 shows us saving this biennium. Let's get beyond the moral issue and talk about the financial. It shows a savings in this biennium and potential savings are to continue into the future. What we do now is an investment in the future. And with that I will end my testimony and take up from here on my next time at the mike. [LB577]

SENATOR CARLSON: Thank you, Senator Haar. Senator Watermeier, you're recognized. [LB577]

SENATOR WATERMEIER: Thank you, Mr. President. Good morning, Nebraska. I rise in opposition to LB577 and...as well as AM1011. It's been quite an opportunity...and I do want to thank Chairman Campbell and the rest of the people on Health and Human Services...quite an opportunity to learn. It's quite an opportunity to be involved in the process. And I got involved in politics and I got involved in the Legislature with the idea, and people have told me, Dan, we trust you, we trust you to separate the emotion from the science, separate the emotion from the facts and the money. And that's what's going to be tough about this issue. I'm going to be opposed to this issue for several reasons. And as I listened to debate on the committee it became apparent to me that Nebraska is just plain and simply not ready for this. It's an influx of people. It's an influx

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of responsibility. And it's an influx of a liability in a lot of ways that we are really not ready to handle. Today Nebraska has 240,000 people on Medicaid. And you don't think like it's a big number, it's not a big deal. But because of the ACA, we are going to be mandated to take on another 50,000, like it or not. In the budget we've got around \$60 million, I think, in the Appropriations Committee, to handle that people. And I'm not going to debate those numbers. It would be easy to do that, but they're on the floor and I believe ACA is part of the rule of the land. The next group of people that we're talking about today is the roughly 54,000 people that will come in under the expanded Medicaid population. And I'll use the 54,000 because I think that's a conservative number; that's the low end of the group. It very potentially could be 90,000. But for today, and I think in the discussion of the population for the public, I think it's fair to use the low end of numbers. But let's just add this up: today we've got 240,000 people under Medicaid; we have 50,000 that's mandated to take; we take in another 54,000; we're going to add 104,000 people, new people, new population, under Medicaid. That's a 44 percent increase. No wonder we're worried about healthcare providers; no wonder we're worried about the quality of care; no wonder we're worried about who's going to take care of this group. They're going to the ER today to get their coverage under the emergency situation. And I really don't know for sure if they're going to take the time to go in to...and get the pre-care that they need to avoid the emergency situation. There's just no guarantee that's going to happen. So that's one of the points that I'm really concerned about. As I served on Health and Human Services over the last couple of months, it became apparent to me that I'm going to have to prioritize some things that I really want to have come out of Health and Human Services, I want to be a part of. And Senator Campbell has talked about this several times; there is four bills that we've come out of Health and Human Services. LB216, introduced by Senator McGill, in regards to increasing the age of...the kids are phased out of foster care at 18 years old, we need to carry that forward to 19 and 20. I feel obligated, as the state of Nebraska, to continue the care to those individuals. They're in the system. And, without a doubt, we cannot drop them on the street and not take care of them. So I'll be proud of the fact that we can expend money, we can expend services, and we can expend care to those individuals and make an effort in their lives. The other bill, LB265, introduced by Senator Coash...back to foster care. I still believe that those are the kind of things that we need to take care of. And the third bill, LB269, comes about because of LR37, which Senator Campbell talked about, we...coming right back to child welfare. And the fourth bill, from Senator Dubas, LB530, is about reimbursement rates for foster care. And it's become very important and very apparent to me that this is where the state of Nebraska needs to be focusing on. Those people who cannot help themselves. And another group that I have yet to have a real involvement with is the disab... [LB577 LB216 LB265 LB269 LB530]

SENATOR CARLSON: One minute. [LB577]

SENATOR WATERMEIER: ...the DD group, and the waiting list that we have for the

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development disa...excuse me, disabled...everybody knows the group, development disabled, and there's a waiting list on that group. And if there's anybody in the state of Nebraska that I feel compelled that we ought to try to help, it's that group. I'm not sure how we're going to do it, but, through Appropriations, I know there's a \$40 million need out there and I really feel that this is where we need to take our state. I guess with that I'd like to ask Senator Brasch a question right quick. [LB577]

SENATOR CARLSON: Senator Dubas, would you... [LB577]

SENATOR WATERMEIER: Brasch, excuse me. Senator Brasch. [LB577]

SENATOR CARLSON: Senator Brasch, would you yield? [LB577]

SENATOR BRASCH: I yield. [LB577]

SENATOR WATERMEIER: Senator Brasch, you mentioned last weekend that you traveled the state, in your district, and started having open houses and conversation. What kind of response did you really get from the lobby that's compared to your district? [LB577]

SENATOR BRASCH: The lobby, the hospital association, they are in favor of this legislation. They are...it's direct payment to the hospitals, no collection agencies involved; I understand it is a payment to the hospitals. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR WATERMEIER: Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Watermeier and Senator Brasch. Senator Bolz, you're recognized. [LB577]

SENATOR BOLZ: Thank you, Mr. President. I rise today with a heavy heart. Like many of you, those injured in Boston yesterday weigh heavily on my mind. My thoughts and prayers are with those hurt, with the helpers, and with the healers after the tragedy and I believe you all join me in your way. I mention this not to make political hay out of a horrible tragedy but because yesterday's events are a visceral reminder of the deep importance of our healthcare system, of how we can all be vulnerable. And today's debate has eminent importance to every Nebraskan. And because I have heard from hospitals and emergency responders who serve my district and my constituents that they respond to low-risk calls that could be better handled by physicians if the individuals only had access to care, I support LB577. And I think that our public health and safety dollars can be better spent. And I do believe that Nebraskans will use access to healthcare responsibly. Why? Respectfully, in response to comments that have been

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made on the floor this morning, because in my career as a social worker, I have answered those phone calls. I have talked to parents who desperately want to fill their prescription for an asthma inhaler so that they don't end up in the emergency room, folks who want to fill their prescriptions so that they can go to work the next day. And they reached out to me because they were doing everything they could do to ensure that that wasn't their fate. And so I do believe in Nebraskans. I believe that they will make good choices about preventive care. And I believe that LB577 is a responsible choice. We are taking responsibility not only for those who struggle to access care, but also for putting together a plan that leverages our existing healthcare dollars in better, smarter, and preventive ways, and saving money. And I believe that the people in this room will continue to take responsibility for it, to shepherd it, and to ensure that we make choices year after year to make it the best it can possibly be for people, for healthcare providers, for hospitals, and for the system as a whole. And AM1011 ensures that. And I thank Senator Campbell and the committee for making these smart choices. I'll yield the remainder of my time to Senator Nordquist, should he want to further address the fiscal impact of preventive care in LB577. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Bolz. Senator Nordquist, 2 minutes and 15 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President. I want to...I'll wait till maybe...it might have to be after lunch, on my full time on the mike. But what I want to talk about here is the federal pay force for this. We've heard a lot of concern about the federal government not living up to its end of the bargain, getting rid of it. Well, the Affordable Care Act, unlike when they passed Medicare Part D, under the Bush administration, I think Democrats maybe had one house, they didn't pay for it. It just got added to the deficit and ultimately added to the debt. This bill, including Medicaid expansion, has very specific pay force. It raised taxes. The Affordable Care Act raised taxes on a number of entities to pay for Medicaid expansion on the federal level. Those tax dollars are coming out of Nebraska whether we do Medicaid expansion or not. The question is, are we going to return those dollars to our state? Specifically, the Congressional Budget Office, in the most recent estimate of the cost of the Affordable Care Act, say the gross costs are offset in part by \$515 billion in receipts from penalty payments, the new excise tax on high-premium insurance plans... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR NORDQUIST: ...and other budgetary effects, mostly increases in tax revenue stemming from changes in employer-provided tax...insurance coverage. A few of those taxes that have gone into effect, the excise tax on indoor tanning, annual fee on manufacturers and importers of brand drugs, penalty for nonqualified health plan savings accounts, annual fee and excise tax on manufacturers and importers of certain

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medical devices, Medicare contribution on investment income, limits on health...FSAs to \$2,500, eliminate deductions for expenses allowable to Medicare Part D subsidies. The federal government raised taxes to pay for this. Those dollars are coming out of Nebraska. The question is, do we bring those dollars back in, or do we let those dollars stay out of our state? And if they come back in, those are dollars... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR NORDQUIST: ...as I said, that hire healthcare work force. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist. Mr. Clerk, for any announcements or items. [LB577]

CLERK: Mr. President, I have two communications from the Governor regarding gubernatorial appointees. And Speaker Adams would move to recess the body until 1:30 p.m., Mr. President. (Legislative Journal pages 999-1000.)

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. All in favor say aye. Opposed, nay. We are recessed until 1:30 p.m.

RECESS

SENATOR CARLSON: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Mr. Clerk, please record.

ASSISTANT CLERK: There is a quorum present, Mr. President.

SENATOR CARLSON: Thank you, Mr. Clerk. Do you have any items for the record?

ASSISTANT CLERK: Mr. President, I have one item, a report on the confirmation hearing from the Government Committee. That's all I have. (Legislative Journal page 1001.)

SENATOR CARLSON: Thank you. We'll now proceed to the first item on the agenda.

ASSISTANT CLERK: Mr. President, when we recessed for lunch we were considering the Campbell amendment, AM1011, to LB577. [LB577]

SENATOR CARLSON: Thank you, Mr. Clerk. And we do have a number of senators; Senator Campbell, would you like to summarize anything? [LB577]

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SENATOR CAMPBELL: Thank you, Mr. President. And just briefly I want to remind my colleagues and the body of several points in the amendment. The amendment, really, has two major components. And they have come about based on suggestions from colleagues. The first is a trigger, that if the federal participation drops below 90 percent, then at the next regular session of the Legislature they would consider whether to repeal, amend, or to take action on the current Medicaid plan. The second major component of the amendment is a sunset that says, this division...this subdivision which brings in the low-income adult from 19 to 64 terminates on June 30, 2020, unless extended by the Legislature. So both the trigger and the sunset are in the amendment. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Campbell. (Visitors introduced.) Those wishing to speak include Lathrop, Janssen, Wallman, Schilz, Campbell, and others. Senator Lathrop, you're recognized. [LB577]

SENATOR LATHROP: Thank you, Mr. President; and, colleagues, good afternoon. I'm in support of LB577. And I want to, maybe, offer a personal perspective, not that I have been without insurance, but I have represented a lot of people that have. And maybe I can start my remarks by telling you, when I got out of law school in 1981 and started practicing law, it was a business that I was involved in. Health insurance for a family was about \$200 a month. The deductible was \$200 and there was an 80/20 match on...I don't know, maybe the first thousand dollars. It was cheap by today's standards. And since that time, I have each year purchased or been involved in the purchase of health insurance for myself and the employees at the firm I work at. It has gone up. And what I've noticed about health insurance since 1981 is it started out at about \$200 a month for a family, a small deductible, small copay, and it grew. And it...the cost of the insurance got bigger, and as the cost of the insurance got bigger, we tried to offset that with larger copays and larger deductibles. And when that wasn't enough to make healthcare and health insurance affordable, we tried HMOs; you'll remember when they were in vogue, managed care; and now we are at a place, in my firm at least, and probably it's not different than your business, where a family policy is \$1,100 a month, the deductible is \$5,000. We use something called a Health Savings Account to help offset the staggering deductible, and it's not affordable to somebody who isn't making a significant living. What we have done with health insurance, because the cost has grown greater than the rate of inflation, greater than wages, is it's priced people out of the market. And here's what else has happened. As we have priced people and businesses out of the health insurance market, we have more uninsured. Because when the business stops offering its employees health insurance and that becomes part of their business model, we will pay small wages, no health insurance, no benefits; those people now don't have insurance, nor are they paid well enough to go purchase insurance. And when they go in and get care, those now uninsured people who can't afford the price of health insurance. And it's not just optional, they're not making choices between health insurance and a dinner out or a vacation, they cannot put it into their

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budget and afford health coverage. Can't happen. Not at \$1,100 a year...or a month, \$1,100 a month with a \$5,000 deductible. So those people become part of the uninsured. And now the rest of us that have insurance are paying \$1,100 a year for the uninsured that go into the emergency room and walk out, because they have no way of paying for it. And as that insurance, as my policy gets more expensive to pay for my share of the uninsured, it goes up. And as it goes up, the number of uninsureds grows, and we are in a spiral. And now the question today is whether we're going to cover those folks who have absolutely no way, no way, to purchase insurance. And you may say, as Senator Kintner did,... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR LATHROP: ...the best remedy is to get a job. They can't find work that will pay for health insurance. It isn't possible. I've seen these people; I've represented these people. They get in some kind of a mishap, they go into the emergency room, and then when they need physical therapy, no one will treat them because you can't get in the door unless you have insurance. They can't get an MRI. They can't get the care they need. They can't see a specialist, because the first question they ask when you want to go see a neurosurgeon for your neck, herniated disk, who is your insurance carrier? Oh, I'm sorry, we don't take the uninsured here. This is a moral issue, but it's a financial issue too. This will not cost the Nebraska taxpayer a cent for three years. These people have no way to get care and we owe it to them to take advantage of an opportunity. And it turns out to be a bad... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR LATHROP: ...deal, we can deal with that in three years. Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Lathrop. Senator Janssen, you're recognized. [LB577]

SENATOR JANSSEN: Thank you, Mr. President and members. I also participate as a owner of a company and a group health plan. And I didn't see anything where it helps the cost of that particular plan, raise or lower it, within the particular legislation before us. I guess I'll have to review it again. I sit behind what was supposed to be nearly 3,000 pages of the original...what we refer to as, several times, Obamacare bill, not quite all of them, because the rest are here on my desk. They didn't really fit all up here in reading them. And I'll bring a brief moment of levity, Senator Ken Haar asked me if I recycled this, and this will be recycled, and this is the same one that Senator Kintner had, so we're not running off 3,000 copies for the 48 rest of us. Now last night I was talking about this particular legislation to a friend of mine. I was fortunate enough to go up to Wisconsin to a leadership conference this last summer and several Canadian

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colleagues were up there. And I was talking to him via text message last night and he said, what's going on tomorrow? I told him. He said, don't do it. Don't do it. Resist it. Where have you been this summer? Taking my wife, she's ailing. Where did you go? Took her to Arizona, took her to Minnesota. Thought you had free healthcare. It's not...it's not worth it, the wait is too long. It's a broader topic for another day. What is Obamacare to you, ACA, whatever you want to call it? I think we all know what we're talking about. This is part of it. What is it to me? I've been traveling this state daily, weekly, for five years, many of you have. People ask me about this very topic. Most are against it, by the way. And they say, well, you run...what's your business? Well, I'm in the healthcare staffing business. According to Senator Nordquist, \$2.3 billion will be infused into the medical industry in the state of Nebraska, an industry I'm in. So wouldn't I be an advocate of that? Wouldn't it help me financially? The answer is probably so. Well, then why are you against it, Senator Janssen? It's a matter of principle. We can sit here and say for the next three years it will cost you nothing. I just filed my taxes. Guess what, I had to file a federal return too. I think it will cost you something. It will cost you something in year one, two, three, four, infinity; there's no sunset clause. Don't even kid yourself with this amendment. This is a band-aid. This is a band-aid on Obamacare. It will not be sunset. If it passes today, you think the balcony is full now? Wait till you try to repeal it. And it won't be the taxpayers sitting up there. It just won't be, few and far between. You go out and talk to the citizens of Nebraska, and I think you have. If you're honest with yourself, no matter what side you're on in this, unless you're talking to not...unless you're talking to specific groups, and I'm not, you cannot tell yourself that the majority of Nebraskans are not in favor of (1) repealing Obamacare, and not in favor of LB577, and certainly never heard of AM1011. I heard that we represent...I represent 38,000, 39,000; give, take; we all do, all 49 of us. And so as we represent them, we make decisions on their behalf. I do just like you. I take that very seriously, and I know you all do as well. Now I feel confident that my constituents, by majority, large majority, are in opposition to LB577. Now let's take this a little further. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR JANSSEN: Thank you, Mr. President. The state of Nebraska is in opposition to this. Now, we are the Unicameral; we're the legislative branch. But the executive branch is against it. We look at our federal delegation, this very bill, the House Resolution, H.R. 3590, all three representatives of Nebraska voted...statewide, border to border, voted against it. One of our U.S. Senators at the time voted against it, one voted for it; he didn't run again, but I don't think he would have won again, because everybody that ran for that office ran against that platform, every single one of them. This is not a prop. I was told this was a prop and it was not supposed to be on the floor. I was told in D.C. by Pelosi we had to pass it before we could know what's in it. She didn't read it. We have to pass it first. And now I'm told it's a prop and we can't have it on the floor of the Nebraska Legislature as we debate this? It's a prop? So our healthcare, according to Senator Krist, and if I heard him wrong, I apologize in advance,

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is a prop. This is your prop. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR JANSSEN: Thank you, Mr. President. [LB577]

SENATOR CARLSON: Thank you, Senator Janssen. Senator Wallman, you're recognized. [LB577]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. I, too, went to coffee shops and everything, Legion clubs, veterans. And I'll read you the one letter here, it says: I support LB577 and I as well as I. I'm 60 years old. I was an insured young teacher in the '70s. I married a professional and still had insurance for 30 years. We divorced three years ago, so I applied to BSBC. They quoted me \$325 after application. It became \$450. I was earning \$850 a month and could not afford. So I applied to AARP and they turned me down. Luckily, my place of employment had a mini-medical for \$88 every other week. My current insurance covers copays and Rx and it has a maximum payout of \$25,000 a year. I happen to be very healthy. However, if I needed major surgery or had an accident, I would not be able to handle the huge expense. For the past three years, my adjusted gross income was \$14,500. This year I will earn approximately \$3,000 less. I live in a 60-year-old...68-year-old on Medicare. My only financial concern is health insurance. I worked hard to pass the Affordable Healthcare Act. I believe everyone should be insured. Most other nations we trade with all have health insurance. So it's imperative that we take the federal tax dollars and expand Medicaid. So you need to know what is happening to part-time workers. So in many companies, I worked for the same company for over 12 years. And I do appreciate Charlie Janssen furnishing health insurance for his employees. But not everybody does. So I was always considered part-time. So when I started I got married and was not interested in special benefits. So then I had insurance and could have time off when I needed it. So for the past 12 years, I averaged 30 hours a week. So under the new plan I would have been given insurance. However, the CEO told all the stores there will only be two categories of employment, full time at 40 hours, or part time at 24. So my old 30-hour position has been eliminated. I'm too old to work 40 hours and the job is too physically demanding. So therefore the estimated number of workers who will need full health and care is grossly underestimated, for I should have been taken care of by my employer. Word is out that Walmart is getting out of the health insurance business completely and will pay a penalty by not providing any insurance. I don't know. So I'll be able to keep my mini-medical if there's not any affordable insurance available to me. Keep in mind, by the time 2014 arrives I'll be 61 and would have three years covered in the expanded LB577 and there will only be one more year before I'm eligible for Medicare then I'm home free. So she's right. You owe it to the hardworking citizens of Nebraska to expand Medicaid. And whoever...some of these people, maybe, are struggling with this issue. I sure hope they aren't any...insurance by their employer or by

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the state, because if we do, then we ought to be really looking at ourselves that nobody should get health insurance unless it's paid for by itself. So the government doesn't always do things right. But the government a lot of times does. And I'd yield the rest of my time to Senator Nordquist. [LB577]

SENATOR CARLSON: Thank you, Senator Wallman. Senator Nordquist, 1 minute and 20 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I find it interesting that Senator Janssen's individual he was texting with went to Arizona to seek care, because Arizona is one of the states that has a Medicaid waiver that covers, essentially, this population we're talking about now. So there must have been something about their healthcare system in Arizona, and it must not have taken too long to get care there, because Arizona has had a waiver to cover... [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR NORDQUIST: ...childless adults for years. He also said something about correcting Senator Lathrop, he didn't hear anything about the cost of care going down. Well, had he read the transcript from this bill hearing, he would have heard researchers from UNMC say: The impact of providing healthcare to the uninsured has been estimated to increase, or mark up, private health insurance premiums by an average of 8 percent for state residents. Overall, the cumulative savings because of this bill, to a typical private insurance policy premium over seven years, is estimated to be about \$750 for an individual or nearly \$2,100 for a family. There is research that shows covering the uninsured, getting them out of the ER, stopping the hidden uncompensated care tax shift, will save premium dollars for Nebraska families. It's been entered into testimony before our body. And finally, if you don't like the Affordable Care Act, I would suggest calling, writing, or running for Congress yourself, because... [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR NORDQUIST: ...they're the only people who can repeal it. Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist. Senator Schilz, you're recognized. [LB577]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good afternoon, and I think that this is one of the most pressing issues that we have to deal with this session. You know we asked the question, is there an issue with rising healthcare costs? And the undeniable answer is yes. We know we have a problem. But now the tough issue becomes, what is the solution? How do we move forward in making

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sure that we protect those and...that we protect those that need coverage while still making sure that our system, the way we set it up for a long time, can continue to operate the way it has and the way it should? I'd like to paint a little broader picture than some of what we've heard here today. I know we've gotten a lot...kind of down under the weeds on what the costs are and what this is and how that works and what this does. And I'm not denying that all of that is very important to this. But I want to come back to paint a broader issue, to paint a broader stroke here; this nation was founded on self-determination that everyone, everyone, has the opportunity to make their way, to pursue their happiness. And I think it comes down to a philosophical question: Who should provide for folks, for people? Obviously, over time we've come to the conclusion that there are certain people that do need our help--people that either can't or don't have the ability to be able to make this work on themselves, find coverage, insurance, to be able to afford it, or whatever. Some of those are in that position. But we should remember, too, that some choose not to do this, choose not to have coverage. And that's their decision and I'm fine with that. Should it be the state that covers folks who right now have the ability and may have insurance coverage themselves? We know it's out there, whether it's through business coverage, the companies that they work for that provide this coverage, or through individual policies. Some of the folks that will qualify for this program are folks that currently have private insurance. So the question is, should the state provide more, or should the people of the state of Nebraska, through self-determination, be able to move forward and make things work on their own? And that's what I think makes the most sense. And maybe some people will stand up and say I'm too idealistic. Well, guess what, this nation was formed on ideals. The state of Nebraska, as we work, we have ideals in our minds and in our hearts of the way things should work and how things should be. I'm not sure that this goes down that path. We've heard a lot of people talk about entitlements this morning. Entitlements are a large part and a large piece of our budget. [LB577]

SENATOR CARLSON: One minute. [LB577]

SENATOR SCHILZ: Thank you, sir. And, as you know, entitlement programs have an interesting way of attaining a life of their own. If you look back, and I can't...I can't say for sure, but almost every entitlement program that is out there, that's been put into place, in fact I'd say almost all, stay in place. So I think we need to think about that. If you're concerned about costs, going forward, that you think you need to have a sunset on this, then you should be concerned and you should understand that the cost of this doesn't stop in 2020. The cost of this doesn't stop anywhere else. The cost of what we do today will most likely, if this goes through, continue in perpetuity. [LB577]

SENATOR CARLSON: Time. [LB577]

SENATOR SCHILZ: Thank you, Mr. President. [LB577]

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SENATOR CARLSON: Thank you, Senator Schilz. (Visitors introduced.) Back to debate, Senator Campbell, you're recognized. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President. I will yield my time to Senator Nordquist. [LB577]

SENATOR CARLSON: Senator Nordquist, 4 minutes and 50 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. Just quickly to respond to Senator Schilz, we have eliminated programs in the past. In 2002, the state was in a budget crisis; Governor Johanns and the Legislature enacted cuts to our Children's Health Insurance Program, our childcare subsidy program. This Legislature always balances budgets, and we've made...as previous Legislatures have made tough decisions, so that argument that we won't reduce programs or cut programs is just not factually accurate when you compare our history. I want to take this block of time to talk about the long-term fiscal implications of this. We know that the fiscal note shows in the short term a net savings for the first two bienniums. I handed out, if you'll look at the second sheet, I want to walk through it, and it's a little bit wonky, a little bit into the weeds, but I think it's important, because a lot of people are asking how do we pay for this. The top component of that sheet is directly off the fiscal note. I apologize, the bottom line doesn't show future biennium numbers, but if you're interested, FY '15-17 is a savings of a half a million; '17-19 is about \$32 million; and then it shows just the year...the first year of that following biennium, of \$27 million. So the fiscal note, as we've talked about before, shows the cost of the bill, which is nothing in the first three years for the care, we do have a 50/50 administrative cost; and then as we get to 90/10, which is that '19-20 fiscal year, that is when it's fully implemented. And then the cost offsets, which we've already talked about, the disability program, the AIDS drug assistance program, behavioral health, Department of Corrections. There's two other potential offsets that I want to talk about that I think we need to have in mind. The first, Director Scot Adams of the Division of Behavioral Health, under Governor Heineman, submitted a memo to the Legislative Fiscal Office saying: Because of private subsidies and more individuals getting private insurance and that insurance now having to require mental health coverage, he estimated that we could save \$29 million a year out of our \$75 million a year we spend on behavioral health. We're not cutting anyone off from services, we're just saying, now that more people have private coverage, and more people have mental health coverage through that private coverage, we don't have to pay for services as a state at the level we've been paying for. So the Appropriations Committee made a decision to begin capturing up to...beginning...it ratchets up over a couple of years, but \$20 million a year of that savings. In future biennial budgets, you're going to see \$20 million a year that is now...onto the bottom line, used for whatever purpose. I would contend we should take that \$20 million, keep it within the Department of Health and Human Services, shift it from the Division of Behavioral Health to Medicaid. We now have the \$20 million more paid for on Medicaid expansion. The

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second piece is a bill I have that Senator Campbell and (Senator) Krist cosigned, LB578, it's been reported out to General File. We have a comprehensive high-risk pool right now for people with preexisting conditions. Once January 1, 2014, everyone, regardless of preexisting conditions, can get health coverage in the insurance marketplace; no more denials. So all of those people in that high-risk pool aren't going to keep paying those high rates, they're going to shift over to the private market where they can get a much lower rate. That pool will phase out. That is \$23 million a year of tax dollars that we subsidize that pool with. As that money flows through, TEEOSA gets a chunk of that \$23 million, cities and counties get a chunk of that \$23 million. Ultimately, we would end up with \$9.2 million to the bottom line,... [LB577 LB578]

SENATOR CARLSON: One minute. [LB577]

SENATOR NORDQUIST: ...new General Fund money that we've never had before in the General Fund. My bill captures that money into a fund to support Medicaid going forward. Those two savings right there is \$29 million a year. It pays for this bill long term. This isn't dynamic forecasting. This isn't saying, oh, we're going to bring in some money and we're going to generate new tax revenue and spin-off jobs and all this, these are General Fund dollars we're talking about here. We are just repurposing General Fund dollars to pay for this bill in the long term. And that \$20 million, if somebody has a question about that, Wyoming's governor's office has said they will save \$20 million in behavioral health in their study. Kansas, there is a report that showed they will save between \$40 million and \$50 million in behavioral health. So for us to land in that \$20 million to \$30 million range is not out of line. It's right in line with what all other states are showing for behavioral health services. [LB577 LB578]

SENATOR CARLSON: Time. [LB577]

SENATOR NORDQUIST: Thank you. [LB577]

SENATOR CARLSON: Thank you, Senator Nordquist. Senator McCoy, you're recognized. [LB577]

SENATOR McCOY: Thank you, Mr. President and members. Before lunch I mentioned, when I talked on the microphone, that the demographics, what makes Nebraska Nebraska, is different from just about any other state in the Union, as it is for a lot of states. And Senator Nordquist responded that, well, North Dakota has decided to expand Medicaid and so has Colorado. And I would challenge you, members, that both of those states have some similarities to Nebraska in some ways, and in a lot of ways they're not similar at all. Colorado is 5.5 million citizens, we're 1.8. North Dakota is about 689,000 citizens. North Dakota is sitting on the Bakken oil field, has over a billion dollars surplus in their budget. Colorado is rich in mining and timber and tourism and many other things. It doesn't help this situation to draw comparisons to states that really

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don't have a whole lot of similarities to our state. And I'd also say to Senator Nordquist that when you mentioned that Governor Johanns, now Senator Johanns, and the Unicameral in the early 2000s cut an entitlement program, Medicaid, to balance the budget, I would mention to members, if you go back and look, the state was successfully sued and those benefits were reinstated; challenge you all to look that up. So that needs to be part of this discussion as well. I, as I mentioned earlier, I have some serious reservations about where we're going with this bill. I know Senator Gloor has brought up a number of times, I was part of the Banking Committee with him when we talked about medical home. That was his priority bill, as I recall, in 2009, unless I'm mistaken. I had the opportunity to sit next to him on that committee when we discussed that issue. I would also mention that I think we're not talking about a number of other issues. Why didn't we first decide to talk about raising provider rates before we got into this discussion? I'm not sure anybody has brought that up at all this morning; if they have, I missed it. So there's a whole host of issues here. But with that in mind, and with Senator Campbell's reopening after the lunch break when she talked about AM1011 having two distinct parts, the sunset and the trigger, I would concur with that and I would ask, Mr. Chair, that the AM1011 be divided, please. [LB577]

SENATOR CARLSON: Thank you, Senator McCoy. And the Chair would request Senator Campbell and Senator McCoy please approach the Chair. The rest of the body stand at ease.

EASE

SENATOR CARLSON: Members, the Legislature will reconvene. In the view of the Chair, the amendment is divisible, and I'll call on the Clerk to describe what will take place. Mr. Clerk. [LB577]

CLERK: Well, Mr. President, as per your order, the amendment is divisible. There are two components. Senator Campbell, as the introducer, has agreed to take up the first component, which will be indicated on your laptop as AM1028, AM1028. Okay, Senator? (Legislative Journal page 1001.) [LB577]

SENATOR CARLSON: Senator Campbell, you're recognized to open. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President and colleagues. I want you all to know that Senator McCoy did come and approach me with regard to the division of this question. And we're here to develop good public policy. And with that, we work with our colleagues; when they have questions, we work with them. And I much appreciate Senator McCoy coming and asking me if I would be willing to do that. And I said for the discussion among our colleagues we work together and I would gladly do that. The division and this amendment has, basically, to do with lines 1 through 9. It is what I have called the trigger portion of the amendment. That if the federal participation fell below 90

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percent, then at the first session of the Legislature, the Legislature could act and it would have options: it could affirm, amend, or repeal the eligibility of the group that we are discussing in the underlying bill, LB577. In plain language, as some people have said to me, what if the feds renege? What if they say, we're not going to do this? This allows the Legislature to be in control and determine what they wish to do. It gives Nebraska's Legislature the right to take action if that should happen. Thank you, Mr. President. [LB577]

SENATOR COASH PRESIDING

SENATOR COASH: Thank you, Senator Campbell. Members, those wishing to speak in the queue include Senators Smith, Mello, Scheer, Gloor, and others. Senator Smith, you are recognized. [LB577]

SENATOR SMITH: Thank you, Mr. President, and good afternoon, colleagues. I do support the division of the question. But I just want to kind of speak on the amendment and the underlying bill. I want to start out by taking exception to some comments that were made this morning to the implication that skepticism of LB577 is partisan and partisan only and that opposition is necessarily orchestrated by the Governor's Office. I also take exception to the implication that skepticism of this bill equates to a lack of care or concern to those in need in our state. That is absolutely not true. And I resent those implications for not only myself but some of my other colleagues that have stood in opposition to this or have expressed skepticism. And for that matter, where were the concerns when we had the opportunity earlier this session to pass legislation that would allow Nebraskans to keep more of their earnings? Where was the concern earlier this session when we opposed the attempts of Senator Chambers to pull a bill from committee that would relieve some of the taxing authority of the municipalities in his district? So where were those concerns for our citizens? Earlier this year, I appeared on NET on a panel to discuss the expansion of Medicaid. And like Senator Gloor, that I hold in very high regards, I characterized myself at that time when I appeared on that program as a skeptic of the expansion of Medicaid. And I gave three primary reasons for doing so. First of all, I'm concerned about the impact on the standard of care afforded by Medicaid to those in greatest need in our state by arbitrarily increasing the Medicaid threshold to 133 percent. Colleagues, why not 131 percent? Why not 134 percent? Is that next percent in less need? I'm also concerned with the unnecessary and unintended expense of the expansion, which would easily cost Nebraskans more than \$50 million per year by 2022, when the expansion is fully implemented and the temporary FMAP is minimized. Where will that money come from, colleagues? Are we simply to tax the individuals more? What other programs will be cut in order to pay for that? We heard from Senator Lathrop earlier this session; he was on the mike and he was asking us to be thoughtful and mindful and cautious with the fiscal notes that we were seeking for a water policy. And granted, great comments, but where is Senator Lathrop's concern over the expenditures for this bill? And finally, I'm concerned with the

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near-term risk of the federal government keeping its funding commitment to states, states like Nebraska. These are legitimate concerns I have. It's these concerns that make me a skeptic. These concerns do not make me uncaring for our citizens. We have these needs. This is a very complex issue. But these are, nonetheless, concerns. And while I certainly agree that there is a great need... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR SMITH: ...in our state, and appreciate the work and the compassion of Senator Campbell on this issue, I cannot in good conscience support this legislation as a viable solution to a very, very complex issue. And, in the words of a colleague earlier this morning, for that I'm very proud. Mr. President, how much time do I have remaining? [LB577]

SENATOR COASH: Thirty-six seconds. [LB577]

SENATOR SMITH: Okay. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Smith. Senator Mello, you are recognized. [LB577]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I've been able to catch some floor testimony off and on throughout this morning and in the afternoon, and I want to at least start my remarks this afternoon by saying all 49 of us are entitled to our own opinions. But we're not entitled to our own set of facts. And I think facts really do matter here. Senator Smith, while a good colleague and a friend that I agree on a good number of issues, just cited a number that I cannot find in our legislative fiscal note. I don't see a \$50 million per year cost anywhere in the legislative fiscal note drafted by our nonpartisan, independent Legislative Fiscal Office. So I would appreciate when Senator Smith has his time back on the mike next to explain to me where he got that number, because it's concerning, colleagues, that when we throw around numbers and facts and figures but don't tell people where these facts, figures, or numbers are coming from, that we allow that to just pass as...that we allow that to just essentially be part of the factual record, which is not the case. The fiscal note is very clear. The next two bienniums we see a savings of roughly \$2.8 million. After that, the state starts to pick up a larger share. But also, as Senator Nordquist mentioned, our preliminary budget, as we're working through it right now, starts to pick up a larger percentage of reduced savings...or I should say a larger percentage of savings from behavioral health, which...the department's own administrator said we could take up to \$29 million a year, which we did not do because the Appropriations Committee chose to approach a more conservative path. So that's the first part. The second part is I also heard on the floor that, how are we going to pay for this new number, this \$50 million? Are we going to raise taxes to do this? Colleagues, I will say this every day for the rest

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of session if I have to. Last year this body approved LB970 and, I believe, LB862--I could be mistaken on that bill number, Senator Hadley, maybe it's LB872--both a tax reduction in personal income taxes and a reduction in business taxes through reform in our apportionment system. So for anybody to legitimately stand on this floor and have a policy debate about whether or not the state should accept federal funds to provide healthcare to those Nebraskans that otherwise are not getting it, that's a policy debate. We can have that in an adult-like manner. But if we're going to start to use facts and figures and fiscal information and not tell people where that comes from, simply what it seems that we're doing is trying to muddy the water to make our case easier, to make our argument sound more fluid, that it has more fact behind it because this is a larger number; and no one's telling us how we're going pay for that large number; we must raise taxes or have to cut education. I've read the fiscal note multiple times, and I don't see that in there. As I mentioned earlier, the Department of Health and Human Services fiscal note doesn't matter. I will repeat: The Department of Health and Human Services fiscal note doesn't matter because we do not take in consideration agencies' fiscal notes when this Legislature passes a bill. We take in consideration our Legislative Fiscal Office and their fiscal notes. And if you have a problem with that, come find me and we can talk, because that's the process this Legislature operates on and has for the five years I've been here. And I don't see a lot of the facts and figures that colleagues who oppose this bill located in this fiscal note. One last bit. And I maybe should explain a little further. I know my Appropriations colleague Senator Kintner raised this issue with me during the lunch hour. I mentioned this morning that the Department of Administrative Services budget division has been passing around information to colleagues... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MELLO: ...suggesting that Medicaid is going to grow at 7.8 percent. You should have received a memo refuting that, that they took that consideration from 1991 to 2013 and they didn't tell the legislators that 1991 to 1993 there's a 56 percent increase in General Funds in Medicaid and CHIP and a 40 percent increase in fiscal year 1993, which completely creates an outlier effect. We'll discuss that further, colleagues, believe me. Facts and figures matter. But it matters more about where they're coming from instead of what you're trying to use them for. With that, I'd yield any amount of time I have left to Senator Conrad. [LB577]

SENATOR COASH: Senator Conrad, 15 seconds. [LB577]

SENATOR CONRAD: Oh, thank you, Senator Mello. I think Senator Nordquist is going to send me some time, and I have my light on as well. But again, in line with Senator Mello's comments, not only do we have to be accurate when we talk about fiscal impacts, we have to be accurate when we talk about history and litigation. And I think that... [LB577]

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SENATOR COASH: Time, Senator. [LB577]

SENATOR CONRAD: Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Conrad. Senator Scheer, you're recognized. [LB577]

SENATOR SCHEER: Thank you, Mr. President. Good afternoon, colleagues. If I seem to be talking about issues that seem to be long past in the morning, it's because it took me three and a half hours to get to the mike. And so perhaps some of my comments might be germane, perhaps maybe not. But I have a different issue with the process as we move forward, to the extent that we talk about we won't have to pay for anything. Well, the fact of the matter is we do pay for it; we're taxpayers of the United States. And if the federal government is going to pay for it, we indeed still pay for it. Backing that concern up, the federal government is running about \$1 trillion in debt each year. And I'd feel better if I could get up and say that at least we were using tax money to pay for the additional Medicaid coverage. But we're not. We're borrowing the money. Tax money is collected money. We haven't even collected the money to pay the bill yet. With all due respect, I do know that the Affordable Healthcare (sic) Act did have some items that were going to help offset some of those costs. Some of those have been thrown off. Some of those have been discontinued by the federal government because they weren't practical. One of the first ones was they were going to try to stop all bartering, and that was supposed to bring in hundreds of millions a year; that got thrown out. We were all going to have to do a 1099 on anyone that mowed our yard or if we got gas or we got a car wash. And that, you know, within 90 days was discontinued. It was took out of the act. That was a major component of it. So it's not just federal dollars; it's dollars. I understand there's a great need for healthcare in the state of Nebraska and in the United States. I don't know if this is the right way or not. But I...but, Senator Mello, could you answer one quick question, please, for me? [LB577]

SENATOR COASH: Senator Mello, will you yield? [LB577]

SENATOR MELLO: Yes. [LB577]

SENATOR SCHEER: And this is strictly hypothetical, but if we did not have federal assistance for the payment of the expansion of the Medicaid, would the state budget be able to sustain what we're trying to do right now? [LB577]

SENATOR MELLO: I think that's a...I guess, let me understand your question. Would we simply be expanding Medicaid without... [LB577]

SENATOR SCHEER: My question is... [LB577]

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SENATOR MELLO: ...without getting 100 percent reimbursement, in comparison just to our 53 percent reimbursement? [LB577]

SENATOR SCHEER: Could the state right now afford to expand Medicaid to the recipients that we're talking about without the federal assistance? Without additional federal dollars, could we as a state afford to pay for that? [LB577]

SENATOR MELLO: Well, I think that's a hypothetical, Senator Scheer, that's tough to answer, because Medicaid itself is a federal/state partnership program. [LB577]

SENATOR SCHEER: Well, let me make it real simple. They're paying 100 percent... [LB577]

SENATOR MELLO: Yes. [LB577]

SENATOR SCHEER: That's however many hundreds of millions of dollars. Does the state right now have an additional hundreds of millions of dollars to provide those services? [LB577]

SENATOR MELLO: It's a budgetary concern, an issue that we deal with every two years. So it's left up, initially, I guess, to the Governor, when they propose their budget. The Appropriations Committee determines what we choose to do with the Medicaid program, initially, as well as up to the Health and Human Services... [LB577]

SENATOR SCHEER: Thank you, Senator Mello. Yeah, I don't think you're being forthcoming, and you know exactly what I'm asking. And I think we all know exactly the answer. We do not have the money to provide these services under our current budget, or any future budget for that matter, without a substantial... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR SCHEER: ...increase in revenues. Thank you, Mr. President. I'm not necessarily averse to what we're trying to do here, but I do want everyone to be honest with themselves, everybody, not one side and not the other. We're talking about expending a lot of dollars. And regardless of where those dollars come from, they are our dollars, and to a certain extent they haven't even been (inaudible). And Senator Dubas said that...made the comment--and, again, going way back, because of the time--that her grandchildren would be happy that she provided this. That may be, but we also have to remember that, realistically, our grandchildren are going to be paying for the extension we're doing today 15 years from now. So as we continue to add these services, well meaning as they may be, there is a cost; but it's not going to be, probably, to us. It's going to be to the pages that are sitting in front. And they're going to be to our

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grandchildren that are still not even in preschool. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Scheer. Senator Gloor, you are recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. Good discussion. And there are a lot of truths being related, whether people realize it or not. One of the issues that has been referenced in a very indirect way has to do with the dollars that are out there. But one thing is very true, and that is these are real dollars; they come from somebody. This is going to cost somebody something. We may be saving on state tax dollars, but there are federal tax dollars involved. We may be saving on employers' premium dollars, but there are premium dollars involved. This will cost somebody something. Now the question for me is, well, if that makes a difference and that improves people's access, if that improves people's health status, maybe that utilization of dollars is a good issue. Let me grab one of those issues head-on. What we hear is, armed with an insurance card, which is what Medicaid is, people will have access to health services. But, folks, there is a practical limit of a hospital or a physician's practice that can take Medicaid patients. And, by the way, we owe part of that; the executive branch owes part of that. What Medicaid pays for service is poor and in most cases won't cover the costs, direct and indirect, to provide that service. There is a limit to the number of schedules...or number of Medicaid patients you can have on a physician's schedule. What happens to that practice when it fills up with Medicaid patients? And from a utilization standpoint and from an ethical standpoint, let me ask you this question. When that schedule fills up and an elderly patient...my elderly parents, who are in their mid-80s, then call up and try and get on an appointment with the schedule that is filled up, who do you think is going to be more insistent? And who do you think is going to be more compliant when told: I'm sorry, there's not room for you today; next week. And those seniors usually have multiple health problems that require regular monitoring. So you'd say, the good is we've allowed a Medicaid patient to get utilization. And I'd say, with the problems we have about access, with the problems we have with primary-care providers, the offset will be how many patients get bumped off those schedules, who also have legitimate, appropriate, ethical needs to get on that schedule. Who gets bumped? ER visits. ER visits get talked about a lot. There are a lot of reasons that individuals go to the ER. Clearly, I have some experience in this. And to a large extent, there is a convenience factor, always will be. A working parent, single mother, single father, now has Medicaid. Do we think because of that they're going to leave their 8-to-5 job; or are they going to fulfill the 8-to-5 job, because they need all that...every dollar they can get from every hour of work, and go to the emergency room after work because it's all that's available to them? And at least now they can do so without a sense of guilt, because now they have an insurance card. So are we really talking about a dramatic reduction in ER visits? And my comment to you would be, I think that's part of the dream we have, is that we will change... [LB577]

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SENATOR COASH: One minute. [LB577]

SENATOR GLOOR: ...people's behaviors. Thank you, Mr. President. Equating Medicaid coverage to an immediate improvement in access is a fallacy. And there are other examples that I can use. Certainly it will be a plus for some portions of the population. But there will be an offset for other portions of the population. We do have a provider problem. And we do have convenience issues. And the mother who is 18 years old with her first child who's 6 months old and has a 101-degree temperature sees that as an emergency worth going to the emergency room. And for her, it is. And she'll go to the emergency room. Whereas that 28-year-old mother sees it differently, whether she has access or not. We have problems in our delivery system that also have to be changed as part of this debate, and, hopefully, we'll talk more about that as we educate ourselves. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Gloor. Senator Harms, you're recognized. [LB577]

SENATOR HARMS: Thank you, Mr. President and colleagues. I have very patiently listened to all of the discussion today. I've also done a lot of reading in regard to this particular issue. And today in the discussion as well as what I've read, here's what I've learned. Some people say it's a good deal for our state. They say that the federal funds will return about \$2.3 billion into the Nebraska economy. Some say, in the writings that I've read and listened to, that it will grow our economy...or it will generate our economy about \$700 million in new economic activity. Some have said it's the right thing to do because at least 54 million (sic) uninsured Nebraskans would gain healthcare access. Some have said today and what I've read says it'll reduce the hidden tax of uncompensated care for people who go to the hospital, particularly in my area, that cannot afford...that's tacked onto your bill and my bill. And then people have indicated that without it thousands of Nebraskans would fall in a coverage gap. What we also know is that people without health coverage die at a rate 25 percent higher than those with insurance. But, you know, colleagues, as I've listened to this, you know what the highest cost is? It's the human cost. That's the highest cost. It's the human cost; it's the cost that people cannot afford to pay for the services. And what happens to them? They don't go to the doctor; they don't go to the hospital. You see, you and I are very fortunate because we have insurance. See, you and I are very fortunate that we can probably afford to go and get that coverage. But there are an awful lot of people in this great state that do not have that. So, for me, as I listen to the debates and the argument, it always comes back to the same thing; it's the human cost, for me. And my heart will always tug in that direction. So here's where the rub comes, for me. The strongest opposition, in the argument to the expansion, perhaps, is the question that asks, is it sustainable? Is this sustainable? What happens five years into it when the federal government might walk away? I don't know. So when I look at the high cost for the human cost, then I look down the line trying to figure out, will this federal

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government stand up when the time comes to pay for it? There are so many outside variables that you and I can't control. Internationally...if we get into other issues internationally and our economy goes to heck in a handbasket, you get in another war, whatever it might be that's going to take those resources, will it hold up with this? Colleagues, I don't know what the answer to that is. And I'm right on the line with this issue. I know what my heart says, but I also have been on the Appropriations Committee long enough to know you've got to find the bottom line here. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR HARMS: Thank you, Mr. President. And I would say that we need to take this into consideration as we vote: Can we trust our own federal government to stand up when the need is there? And, Mr. President, I'd like to yield whatever time is left to Mr. Mello, which is not much. Thank you, Mr. President. [LB577]

SENATOR COASH: Senator Mello, 40 seconds. [LB577]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I'll be brief. Senator Scheer's question ultimately is not a black-or-white question, Senator. And I couldn't just give you an answer because, ultimately, you're asking a policy question. This Legislature last year made a policy decision to ultimately fund prenatal care services for all children in Nebraska, not because it was a fiscal issue, it was a policy decision. To some extent, I see LB577 as a policy decision, not so much as a fiscal decision, even though the fiscal impact is something that we are discussing. So I hope that clarifies, I think, the question you were trying to answer. It's not simply a matter of whether or not we can do it fiscally. We do a lot of things that ultimately we have to readjust our budget and our fiscal priorities to make that policy work... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR MELLO: ...not just dealing with healthcare. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Mello. Senator Nordquist, you're recognized. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I know we've heard some discussion about capacity, and one colleague questioned why we aren't doing something on provider rates. And I'd just like to give you a little, brief history. First of all, in this biennial budget we are addressing all health and human services providers with a 2.25 percent increase, as a member of the Appropriations together with Senator Mello, Senator Wightman, and others. Last year the Governor...during our last biennial budget the Governor wanted to cut provider rates 5 percent. We dug into the budget and found

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enough savings to...so the reduction was only 2.5 percent. And then we even reduced that a little bit more in the last fiscal year. So we've been working on provider rates as much as possible. Certainly Senator Wightman and, I would say, myself have been fighting the good fight on Appropriations as much as anybody on that. But also there's a critical provider rate issue in the Affordable Care Act. All Medicaid primary-care physicians are going to get reimbursed at Medicare primary-care physician rates. That is in our budget right now for all the current Medicaid population, and it's in the fiscal note for this bill, going forward long term. That's a 39 percent increase in their provider rates. If you think we have problems with primary-care docs...Medicaid primary-care docs not willing to see patients, I think a 39 percent increase in their provider rate might wake a few more of them up. I have received an e-mail this morning from Alegent Health, which is the biggest system in, or Alegent Creighton, the biggest system in the Omaha metro area, which says all of their doctors--at least from the e-mail that I received--all of their doctors are accepting Medicaid patients, new and existing Medicaid patients. That's with the current provider rate. Also there was a claim that...I think maybe it was Senator Smith who said Medicaid is not a good program. I asked that question directly to Director Chaumont in our budget hearing, and she said she could absolutely not disagree with that statement more. She thinks that people on Medicaid are well served. The fact that their health outcomes aren't better than the general population probably makes logical sense, given that we spend most of our healthcare dollars in Medicaid on the disabled, the blind, and the elderly. So clearly those people have more challenges. There's been national studies which show Medicaid recipients have better access to care than the uninsured; they are less likely to put off long-term health issues. Certainly Medicaid, with what it is, does a good job serving the needs of the vulnerable. And, finally...Mr. President, can you tell me how much time I have left? [LB577]

SENATOR COASH: 2 minutes 13 seconds. [LB577]

SENATOR NORDQUIST: I'll yield the rest of my time to Senator Conrad. [LB577]

SENATOR COASH: Senator Conrad, you're recognized. [LB577]

SENATOR CONRAD: Thank you, Mr. President. Thank you, Senator Nordquist. And, colleagues, just to continue quickly in regard to what I started earlier on Senator Mello's time, I don't expect members who are nonlawyers to have the same legal knowledge and skills as members who are lawyers. That goes without saying, and that's a matter of basic fairness. However, as a legislator we all have an equal responsibility to put forward into the record information that is accurate. And we have a responsibility, when we make assertions, to ensure that we have done our due diligence. It was noted earlier in the debate this afternoon that, well, we should be wary of this expansion because in fact there has been successful litigation in the past which says that Nebraska can't make changes to its Medicaid program. That is patently false. And I commend that you

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look to the cases that address this issue, notably Kai v. Ross, 336 F.3d 650, from July 2003. And I challenge members to show me anywhere, anywhere, in that decision where it says the state of Nebraska does not have the policy decision right or authority to make changes to its Medicaid program when it... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR CONRAD: ...comes to eligibility or services. It does not. It was decided on procedural grounds, and it was related to a different type of Medicaid--which can, yes, sometimes be confusing when we're in these technical areas--called "Transitional Medicaid," which is separate and distinct from the Medicaid that we're talking about under LB577. Additionally distinguishable is the invitation from the United States Supreme Court and the federal government that says a temporary expansion is allowable and in fact invited under this. So that is important to remember. As Senator Nordquist noted, this body has made changes, based on budget, to entitlement programs. And again, if you look at the case law, actually Johnsen v. Nebraska, CI 2-2304 in 2002, you can see the Supreme Court (sic) of Nebraska upheld this body's decision to cut childcare eligibility. So nothing in any piece of case law that has been decided on this topic says that Nebraska doesn't have the right to make a policy choice for budgetary or other purposes when it... []

SENATOR COASH: Time, Senator. [LB577]

SENATOR CONRAD: ...comes to eligibility and services. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Conrad. Senator Dubas, you're recognized. [LB577]

SENATOR DUBAS: Thank you, Mr. President. I yield my time to Senator Campbell. [LB577]

SENATOR COASH: Senator Campbell, 5 minutes. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President. And thank you, Senator Dubas. I want to go back to several points that we've been discussing all around this morning but to really come back to them. Earlier this morning the question was asked, in looking at...in this bill, does this fit Nebraska? We can talk about other states and they do it this way and that way, but does this fit Nebraska? Does this fit who we are? And, folks, when you look at the uninsured in the state of Nebraska, we'll stay on the 54,000, it's pretty equally divided between rural and urban. So if you can sit there and say, well, does this apply to me? Does this apply to my constituents? In information that was brought before the Health and Human Services Committee, it was very clear that we

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have a number of households in the rural part...and they looked at 25 legislative districts, and in those districts we had a percentage of people under the \$25,000 who most likely do not have the income to afford that insurance. And when we start looking at what percentage that household is, we can start looking down the list, and we can see in Senator Bloomfield's, in his district, 20.3 percent of the households fall under \$25,000. In Senator Adams', it's 14.6 percent. In Senator Dubas', it's 15.9 percent. In Senator Gloor's district, it's 24.8 percent. In Senator Carlson's, it's 20.8 percent. The largest percentage of households under that threshold is in Senator Harms's district. So then you began to say, this is not a rural/urban issue, this is an issue that affects low-income people all across the state, working people. And so we've said, well, you know, somebody once commented, "Federal dollars are not free." I totally agree with that. They are not. They're our dollars. I would guess a number of us wrote a check on Monday to cover taxes. I want those dollars to come back to Nebraska. And we've estimated, conservatively I think, that that number is \$2.3 billion. That money will help us build a system. There are no easy answers to Senator Gloor's concerns. In many cases, yes, they are valid. But the healthcare providers across this state have known that this is coming. And you have to remember, Medicaid expansion was a part of the original ACA. So those providers have been thinking about it. Sharon Lind... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR CAMPBELL: ...CEO of the Ogallala hospital, said: We're working; we've already put in some of those measures to be ready. Senator Howard has talked about that. Is it perfect? No. But we bring those dollars back to Nebraska to help our people and build our system. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Campbell. Senator Larson, you're recognized. [LB577]

SENATOR LARSON: Thank you, Mr. President. Would Senator Nordquist yield to a question? [LB577]

SENATOR COASH: Senator Nordquist, would you yield? [LB577]

SENATOR NORDQUIST: Yes. [LB577]

SENATOR LARSON: Thank you, Senator Nordquist. I have a specific question about Medicaid coverage for pregnant women under the bill. It is my understanding that we currently provide Medicaid coverage for pregnant women who fall at or below the 185 percent of the federal poverty line. [LB577]

SENATOR NORDQUIST: That's right. [LB577]

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SENATOR LARSON: And it is also my understanding, and this is kind of where we'll start getting into the question, that under LB577 it would only provide coverage for pregnant women who fall at or below the 138 percent of the federal poverty line, leaving essentially a gap in between the 138 percent and 185 percent without Medicaid coverage, if this bill passes. I get that because in the book that was provided by the Nebraska Hospital Association, in Tab 5, under Potential Additional Costs to Offsets. One of those costs to offsets include the pregnant women above 138 percent of the federal poverty line, which, by eliminating this group from coverage, would save the state about \$3.9 million through fiscal year '19-20. So is my understanding correct that the coverage for pregnant women would drop to only those women falling below 138 percent? [LB577]

SENATOR NORDQUIST: That is incorrect. The sheet provided from the hospital association kind of got, maybe, a little bit ahead of themselves there. That was a cost savings identified for in the Milliman study. But that would take statute change if we wanted to lower it from 185 percent. So what we're saying is, under this bill we're going to continue to cover pregnant women to 185 percent. What Milliman said we could do was if we wanted to lower it to 138 percent and then the exchanges would bring in private coverage down to that point. That's a policy decision this Legislature can make. We would save money by doing that. But under the current provision, pregnant women up to 185 percent would get all of their healthcare paid for under Medicaid. If we did the other option, where we would only cover to 138 percent, subsidies come down, those women would have cost-share in the private health insurance marketplace. So I didn't include those on the sheet I just handed out because I'm not ready to take that step yet. I think that's, maybe, a policy decision we can make in following years. But there are savings if we wanted to capture those savings. But this bill does not affect our current coverage for pregnant women. [LB577]

SENATOR LARSON: Okay. I just wanted to double-check on that, because as I looked through the tab in the book that the Nebraska Hospital Association handed out, that was one of the potential cost savings, which was a concern to me, obviously. I think, obviously, we in the Legislature have made concerted efforts to make sure that that population is covered. And we want that population to be covered for the prenatal benefits, and the Legislature did LB599 last year. And was just ensuring that everything would be up to 185 percent. And thank you for clearing up the understanding... [LB577]

SENATOR NORDQUIST: Yes. [LB577]

SENATOR LARSON: ...on that. And I'd yield the rest of my time to Senator McCoy, if he should choose to have it. [LB577]

SENATOR COASH: Senator McCoy, 1 minute 50 seconds. [LB577]

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SENATOR McCOY: Thank you, Senator Larson. Would Senator Mello yield? [LB577]

SENATOR COASH: Senator Mello, will you yield? [LB577]

SENATOR MELLO: I would. [LB577]

SENATOR McCOY: Senator, as Chair of our Appropriations Committee--and I'll have some additional questions for you later, I know we have a very limited time here--as a percentage of our state budget, what is the fastest-growing segment of the budget? [LB577]

SENATOR MELLO: I would have to look, Senator McCoy, at our preliminary budget to see where that is, in the sense of whether or not that's K-12 education, higher ed or Health and Human Services, Medicaid, public assistance. [LB577]

SENATOR McCOY: Well, I would appreciate that. I have done some checking, and you'll find, members, that the fastest-growing segment of our state budget by far, by far,... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR McCOY: ...is the Medicaid and CHIP segment of our state budget. If you were to look at it on a graph, it would astound you, considerably higher than higher ed, K-12 education, any other segment of our budget. I think that's somehow being a little bit lost in this discussion. And I appreciate...didn't want to catch Senator Mello unaware there with that question, but I would encourage you, members, take a look at what we're talking about here. And when I say fastest-growing in our state budget, that's Medicaid as it is today, so I think we'd better give very careful consideration to what we're doing here. And that's why I believe the division of this amendment into two separate chunks--so we can look and talk about each one in its totality--is an important component this afternoon. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator McCoy. Senator Krist, you're recognized. [LB577]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues and Nebraska. And I just would like to respond very briefly to Senator McCoy's point. The committee has looked very carefully at what is called a "circuit breaker" in some states, what is called a "valve" in others, a "telltale" in others. And those two issues were very important to LB577 in order to bring many of the colleagues along in a comfort factor: the sunset, an automatic sunset in three years, where it can be evaluated after the 100 percent financing drops off, as well as a circuit breaker, if you will. And anytime it would go below 90 percent we would have to reevaluate. So I would argue that we have

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looked at it very carefully. And the fastest-growing part of the budget, I would argue, is in the eye of the beholder. But I won't spend any more time responding to Senator McCoy at this point. What I'd like to bring you back to is a human side. And this relates specifically to Senator Coash's points over the last few weeks, and his concerns, as well as Senator Watermeier's point this morning. He felt, and Senator Coash I know shares the feeling, that the DD community needs to be taken care of in this state. It is a priority. My name is "blank"; I am a registered nurse; my husband and I have two children born with a rare genetics disorder, nonketotic hyperglycinemia and failure to thrive. The life expectancy of these children is normally 6 months. Ashley (phonetic) and Derek (phonetic), our children, are the longest-living people with this disease. They also experience grand mal seizures, ulcerative colitis, apnea, scoliosis, brittle bones; they cannot walk, talk, or feed themselves; they depend upon the nurses who care for them to meet their needs. They both have an immunity deficiency, so they cannot receive their childhood shots. They need to be isolated from children and sick adults so they don't get sick themselves. Derek has an ileostomy and frequently has problems with skin breakdown and secondary infections. Due to his brittle bones, he has had many bones broken: his right femur, his left foot, his left ankle, and his left arm. Listen to this very carefully. His femur broke lifting him out of the bathtub. Derek suffers from malnutrition, weight loss. Both children are fed by nasogastric tubes. Both children receive respiratory treatments every four hours around the clock, followed by percussion. Both children have increased amount of oral and nasal phlegm. Derek sleeps approximately 15 to 30 minutes an hour at night; he is vomiting phlegm, coughing, having seizures; and he coughs his feeding tube out occasionally. With this disorder, our children are missing an enzyme in their liver and in their brain. Their liver doesn't metabolize medications properly, so an EpiPen is always available. When Ashley turned 21 years old...listen to this colleagues. When Ashley turned 21 years old, we were told that she didn't qualify for any programs for nursing care. Now on March 26, 2010, Derek will turn 21 years old; I wonder what the response will be. He no longer has treatments available to him. Two children who will receive nursing care their whole life turned 21 years old and now no longer need nursing care according to our rules...according to our rules. This is a population who, in the DD community that Senator Watermeier referred to this morning, that he is concerned in terms of funding, this is part of the population that we're talking about. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR KRIST: This is part of a population that we are talking about. Put a face and a smile and a gastric feeding tube and a disease to your questions and your answers. Think about the human beings. Think about those people who cannot help themselves. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Krist. Senator Bloomfield, you're recognized. [LB577]

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SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, I've mentioned before that the first two years I was here I had the opportunity to serve on the Health and Human Services Committee. One of the things I learned during that two years was that if Senator Gloor had concerns, they were probably worth listening to. And with that in mind, I would yield the rest of my time to Senator Gloor so he can go a little further down that road, if he is willing. [LB577]

SENATOR COASH: Senator Gloor, 4 minutes 30 seconds. [LB577]

SENATOR GLOOR: Thank you, Senator Bloomfield. They may have been worth listening to...doesn't mean they were worth acting on, but...you may not consider this a good use of your time, Senator Bloomfield. But Senator Nordquist has given us a fiscal sheet, and those of you who are opposed to the amendments before us and LB577 would be well advised to look through here. I've looked through this sheet now going on I don't know how many months, a number of months that I've been out here, and have tried to understand as best I can, for want of a better term, the money we are leaving on the table. And we are leaving dollars on the table. They're federal dollars that we're leaving on the table that could supplement or supplant, I guess I should say, our state dollars that we could do other things with. How much, I might argue. But the important thing is that we understand that...I believe there are some dollar savings that can be realized by using federal funds. The question that I have is and continue to get back to: To what end are we going to use those dollars, sticking them in a system that already has levels of dysfunction that won't make appropriate use...or that all we're doing is feeding a system that already has inequities built into it, utilization problems built into it, and we continue to feed the monster. And that's part of my concern. One of the interesting things that we should ask ourselves, and I made mention of this the last time I was on the microphone, is that we have a business community--Chambers, economic development organizations--we have employers who pay a big chunk of these dollars that supposedly are going to be supplanted now by federal monies. And we don't hear from them. We're supposedly saving money. And in many cases those premium dollars are employer monies, millions of dollars in employer money, and yet the employer community hasn't risen up and come to us, at least not to me. And I've certainly not seen anything from the state organizations that says, by golly, LB577 is the way to go. Where's the business community on this? And if they think it's the right thing to do and they're hiding their heads someplace, they're not helping the situation any. And if they think this is the wrong way to go, they ought to be talking to us about it also so we understand why they think cost-shifting, which is what I'm talking about here, cost-shifting to taxpayers, or to no-pay...excuse me, from taxpayers to premium dollars as a result of uncompensated care issues, a lot of what we're talking about here. They think that's okay, I'm guessing, or at least not as costly as converting to this system. That's my guess, but I've not heard from the business community. And so my takeaway on it is--certainly can't believe they're burying their heads in the sand--that the issue for

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the business community is... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR GLOOR: ...they are frightened. Thank you, Mr. President...they are frightened of expanding Medicaid for a variety of reasons that they have yet to spell out for us, because we've not heard from the business community. And they're the ones who are affected by cost-shifting. That's been pointed out several times now by folks on both sides of this issue. That's not to take a side on this issue; that's an issue of obvious, obvious, question for us, and we ought to talk about it. So thank you, Mr. President. Thank you, Senator Bloomfield. [LB577]

SENATOR COASH: Thank you, Senator Gloor. Senator Crawford, you're recognized. [LB577]

SENATOR CRAWFORD: Thank you, Mr. President and colleagues. Some have raised concern that support for LB577 is based on emotion and not reason. Although there are heart-wrenching stories about the human cost that we've heard here on the floor and that we heard in the hearing if we do not pass LB577 and leave 54,000 Nebraskans outside of the system...you have also heard today many rational justifications for expansion, including the costs of uncompensated care on private premiums, the implication of this choice on building our Nebraska healthcare work force, and dollars saved as a result of providing more-affordable care for low-income Nebraskan families. On the other side, it is important that we do not allow emotional suspicions of the federal government or Medicaid or the Affordable Care Act to get in the way of a rational choice on LB577. It is fair to be skeptical as we ask tough questions about sustainability, as Senator Harms has done. And I appreciate the hard work of the Legislative Fiscal Office and Senators Nordquist and Campbell to help us assess the sustainability of this choice, given current federal obligations. I ask my colleagues to listen carefully to arguments concerning what we can expect from the federal government and our ability to respond to choices made by the federal government. It is important to recognize that the Affordable Care Act is the law of the land, and it is our responsibility to make the best choices for Nebraskans, given that reality. Given that reality, it is important to note that the federal government is committed to providing subsidies for individuals who are in the 100 percent to 138 percent of poverty who end up on the exchange if they do not have affordable healthcare from their employer or some other source. If we do not...if we do not pass LB577, the federal government has to cover that group. According to CBO estimates, it costs the federal government \$3,000 more per person to cover individuals in this category, under the exchange subsidy, than it would to cover them if they were paying 100 percent under Medicaid expansion. So the federal government and we as federal taxpayers ourselves have every incentive to be sure to cover this group under Medicaid expansion. Let me say that again: It will cost the federal government \$3,000 more per person to cover those individuals in that 100 percent to

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138 percent of poverty under the exchange subsidy than it would to cover them 100 percent under Medicaid expansion. This is just one piece of the puzzle, but it's important as we consider this question. As I noted earlier, the recent Supreme Court case precedent puts the states, us as Nebraska, much more in the driver's seat in our relationship with the federal government than we have ever been before in any federal-state matching program. The Supreme Court precedent and the federal HHS have made it clear that we are free to choose to leave at any time without penalty. We are free to change our commitment, with or without the amendments that we are debating now. Some have said that we would never drop people once we have them covered, in Nebraska. But we have dropped other populations in our recent history here in Nebraska. We have dropped legal permanent residents, two years ago. And a few years earlier we dropped 19- to 21-year-olds. We have also made hard choices about dropping services. The trigger in the amendments requires that we come back to consider these choices if the federal government does not live up to its promise. But we can consider whether this is a good deal for Nebraska even without the trigger or under conditions that are not covered by the trigger. I have been struck, as a new senator here, at how much federal money... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR CRAWFORD: ...our state. Thank you...leaves on the table in various programs, including special education and healthcare. Leaving money on the table has not changed any of these programs. Leaving this money on the table has not cut federal spending. Leaving this money on the table has only shortchanged Nebraskans and exacerbated our challenges in covering our vulnerable populations, such as persons with developmental disabilities and our special-needs students. Not passing LB577 out of a suspicion of the Affordable Care Act or Obamacare or the federal government and leaving \$2.3 billion on the table will shortchange Nebraska, with tragic consequences not only for the 54,000 people who will remain outside of the system but for the rest of us, for our healthcare system, and for our economy. Thank you. [LB577]

SENATOR COASH: Thank you, Senator Crawford. Senator Cook, you are recognized. [LB577]

SENATOR COOK: Thank you, Mr. President. And good afternoon, colleagues. I would like to speak for a moment about our state's ongoing commitment to its public health infrastructure. Earlier this afternoon, I believe it was this afternoon, Senator Schilz mentioned that we are a nation formed on ideals. And I could not agree with that statement more. We have the great privilege and honor within this Legislature as public servants, right now to move forward and make manifest those ideals, those ideals of inclusion, of not being a barrier to people pursuing their happiness. And, in my mind, pursuing one's happiness includes being well enough to earn a living. Nebraska's motto is, of course, "Equality before the Law." Harkening back to about--what year is this,

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2013--about 13 years ago, I served as a policy advisor within the Governor's Policy Research Office under Governor Johanns, who is now our senior United States senator. And during that time we were...Nebraska got its share of the tobacco settlement funds. And unlike many of the other states around the nation, we chose to invest our funds into public health infrastructure and into the elimination of health disparities. With regard to health disparities, I would like to say that when you...we're speaking, with this expansion, of people between the ages of 18 and 64 years. By anybody's estimation, those are key years in which someone is earning a living. Unfortunately for many in the minority community, chronic health conditions such as a stroke or diabetes would shave many, many years of earning potential off those earning years. This effort, the expansion of Medicaid, offers an opportunity to continue to address issues related to generational poverty that are exacerbated through the existence of health disparities. With that, I will yield the rest of my time to Senator Howard, if she would like it. [LB577]

SENATOR COASH: Senator Howard, 2 minutes 30 seconds. [LB577]

SENATOR HOWARD: Thank you. Earlier in the debate, Senator Watermeier suggested that we attempt removing emotion from the debate, and I took it as a personal challenge. And so instead of talking about our patients at OneWorld, I'm going to talk about jobs, because this bill creates jobs in our state, and not low-paying jobs, good-paying jobs, actually. The median expectation for these jobs is around \$41,000 a year. That's just about how much I make. But in 2011 hospitals employed over 71,000 people in our state. And a 2009 study showed that 117,000 individuals were engaged either directly or indirectly in the healthcare field. And the Center for Health Policy, with the University of Nebraska Medical Center, suggested that Medicaid spending by the federal government will generate, on average, between \$701 million to \$849 million in new economic activity every year in Nebraska. Based on an inflation-adjusted estimate of the total compensation in Nebraska, the estimated number of jobs that could be financed by federal dollars annually is at least 10,000 by 2020. Ten thousand new jobs in our state, that is on the table with LB577. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR HOWARD: I think we need to pay attention to that opportunity. And I would also say that there's another article, off Kaiser, that suggests that Colorado's new pitch for recruiting businesses to their state is that healthy, lean workers cost less. Our neighbor to the west is recruiting businesses away from Nebraska because they have a healthier population than we do. They say: Our obesity rate, being the lowest in the nation, ranked extremely high for companies we recently attracted. That's what Denver health leaders said. Colorado is stealing our business. And we are turning away jobs if we don't vote for this bill. I think that's something we need to consider in this debate. Thank you, Mr. President. [LB577]

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SENATOR COASH: Thank you, Senator Howard. Senator Price, you're recognized. [LB577]

SENATOR PRICE: Thank you, Mr. President, members of the body. Well, my first time up at the mike. With everything being said I have a lot of notes, and I won't be able to cover it all. But I want to talk to the system. I want to talk to...if we really wanted to address the problem, we'd address the digital nature of our system. And what do I mean by that? Our system is predicated on a trigger: all in or all out. It is not a very mature or robust system. If we wanted to have a debate on change, where we would sit there and say, let's not penalize people for having a job...I have numerous people in this debate come to me and tell me how they have turned down pay raises, they've turned down promotions because they want to be able to stay in the system. That is injurious to the people and to those who need it. We should be saying, keep your job and we'll make up the difference. We'll have good, smart people get together and find a system that says, we're not going to say if you make over a certain threshold you're all out. Instead, what we say is, we'll make up the difference, and you continue to earn. And maybe, if we were really bold, we'd let them choose where those dollars are used: if they want to use them in healthcare or they want to use them for food, for shelter, or for day care. But that discussion is not here today. Today we're here back into the digital age, where it's all in or all out. And I don't trust the federal government to meet their obligations. That's one. For two, I believe that there is nothing wrong to advocate for taxpayers, notwithstanding the plight and the need of others. But you can stand on this floor and you can talk to taxpayers: that family who is maybe making \$60,000-\$70,000 combined, who won't get too much of a break on college education, who'll pay the taxes. Heaven forbid if they're single, they're probably the highest-taxed people we have in this state. So I am an advocate for taxpayers also. Budget. Budgets are complex. I have never had the opportunity to sit on the Appropriations Committee. And I didn't volunteer for it either. But I have had to make budgets before. And I've made them in the federal government, at a lower level. How many of you know about 3600 and 3800 money and three-year money and two-year money and money that's not obligated and that's combed back and put into special funds? Where does all that go? It's a very complex system, but what I do know is budgets are projections, they are not facts. A budget is a projection. And with that in mind, I believe it is prudent, after what I've heard here on the floor today, that we would pull back and make sure that these projections, also known as facts, bear out. If there are \$20 million here and \$9 million there and millions and millions and millions of dollars to be saved, and if the ACA is going to come in and take care of a lot of it, let's let that stabilize. It's almost as if we're riding headlong downhill on a Brahman bull running full speed and we're trying to acquire a target, you know, and hit it, and that target is moving also--a lot of moving parts here. But to be prudent...we're in the good shape we are in, in Nebraska because we take those prudent steps. [LB577]

SENATOR COASH: One minute. [LB577]

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SENATOR PRICE: Thank you, Mr. President. Let us find out, do these projections that come in from the ACA and everything else bear fruit? And are they at the level they said they're going to be? And if they are, then we can talk about it, because, in the end, this is my question, if they don't, where do those tax dollars come from, because we've obligated ourselves. Are we going to take them from K-12? That would be a nice little fight out here. Higher ed? Or are we going to tax people more to pay for it? It's the same taxpayers who we advocate for on the floor, also. That's the question I would like to hear answered. And I'd like to see us be prudent and see that those projections bear out. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Price. Continuing on discussion, those still in the queue to speak: Senators Brasch, Howard, Hansen, Kintner, Watermeier, and others. Senator Brasch, you're recognized. [LB577]

SENATOR BRASCH: Thank you, Mr. President. And thank you to all my colleagues here today, who truly do have a vested interest in your constituents and their well-being, day-to-day life today, but also their future, their future long term, for generations to come. We are the generations to come on the floor today; many stood in this place before us. And we are to look after the best interest not just today but long term. This...discussions, again, have been, you know, on state funds, the state will save money, or the federal will pay for this. The other day I was reading through wise sayings, proverbs, and one caught my eye that I thought was really interesting, that we need to be mindful of. And that wise saying, that proverb, said that if you cut one end of a blanket off and you sew it to the other end of the blanket, you don't get a longer blanket; you're moving things around. Whether it's federal money, whether it's state money, it is the same blanket, it is the same pockets, it is one country, and we are one nation. And our tax dollars will increase; it will come from somewhere. And looking at needs, the needs of my constituents, of your constituents, I do recall in 2011 when we had the catastrophic, unprecedented flooding along the Missouri River. And we had...two of my districts specifically had 150-plus more individuals with nowhere to turn, needing housing. And we scrambled. We scrambled for housing. Dana College was available at that time, and we had residents living there. People went to families and places. And when...you know, we tried to create legislation for a temporary catastrophic event homeless fund. And I was told that that homeless fund has a waiting list of individuals and families. So we have needs for shelter; we have needs for medicine. And our country, being mindful, we have worked historically...I've been looking over the history of Medicare and Medicaid, all the things that we've enacted federally. Starting in 1965 with Medicare and Medicaid, they enacted Title VIII and Title IX. And it talks about what it provided, extending healthcare coverage to almost all Americans 65 or over, and it details the people who would need this. And then again we came back in 1966 and we added another 19 million individuals. And then we phased in another program in '67. And '92 we made some changes; it wasn't quite right. There's names here; '77, 1980, '91, 1982, '83, '85, '86, '87, and it goes on, on how we keep shifting dollars around, we

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move it, very fluid, looking at populations and the needs, adding more and adding more and adding more. And costs have increased. You know, the population is increasing. Adding more programs has not decreased poverty. In conversations in the town hall meetings that we went to for 12.5 hours yesterday, people were concerned. The first one was at 8:30 in the morning... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR BRASCH: ...at a senior center. They are worried about Social Security. They're saying: Will there be enough money; will there be enough money for my...not just me, you know, I'm at the end of my years, possibly I could live another, you know, 20-30 years; but what about my children and grandchildren; how will they retire? People are having difficulty making ends meet. And the jobs that we create are for medical professionals. We need to create more jobs with better incomes for everyone, not just the medical industry. Sixty percent of people who graduate from college with a four-year degree are not working in their field. We need jobs for that 60 percent as well. The medical industry, we are grateful, we need it, we are reliant. But how we pay for it, it all comes back to us. And, quite respectfully, the work is diligent on everyone's part to try to find a place... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR BRASCH: Thank you. [LB577]

SENATOR COASH: Thank you, Senator Brasch. Senator Howard, you're recognized. [LB577]

SENATOR HOWARD: Thank you, Mr. President. And good timing. Senator Brasch, I'd just like to address your issue about work force. Yes, many of the new positions that could be created by LB577 are healthcare workers. But the federal direct spending provides the healthcare industry with resources not only to hire healthcare workers, but it's also to purchase goods and services from suppliers in order to meet the increased demand for healthcare. And then these suppliers in turn purchase goods and services and hire employees and so on, thereby generating an indirect impact on the economy for the state of Nebraska. So it's bigger than just medical workers; it's also indirect support as well. I wanted to just touch base a little bit on the access issue. Access is predicated on sort of a three-tiered stool. The first is providers. The second is capacity, and that includes not just space but also hours in the day that your provider is available. And then the third one is insurance, which is what we're talking about today. I addressed this earlier, but I'd like to reiterate: the Nebraska Medical Association indicated, and I know this from personal experience with our providers, that a primary-care provider generally serves around 2,000 patients annually. Given the Milliman estimates, that means that we would need 25 additional primary-care

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physicians to stay in the state to serve this newly eligible population. Twenty-five providers is not very many, especially when you consider the fact that mid-level providers are really doing expanded work in the primary-care field, mid-level providers such as nurse practitioners, physician assistants, and even pharmacists. In my clinic, we have a clinical pharmacist who addresses patient needs in regard to cardiovascular disease and addressing barriers around why they're not taking their medication. And we've had amazing outcomes with that opportunity. I indicated earlier, as well, that not only your healthcare safety net but also your hospitals have been expanding capacity in an effort to prepare themselves for new need that comes out of the Affordable Care Act. And at my clinic we have expanded into not only two new buildings, which are beautiful and you are all welcome to come visit, but a new school-based health center in a high school and a satellite clinic in west Omaha. We anticipate serving more than 10,000 new patients next year. And that is a big chunk of the Milliman estimates of newly eligible Medicaid individuals. And with that, I would like to yield the rest of my time to Senator Mello. [LB577]

SENATOR COASH: Senator Mello, 2 minutes 15 seconds. [LB577]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. And thank you, Senator Howard, for the time. A couple points of clarification. First, I was just speaking with Senator Price in regard to his floor comments. Ultimately, a legislative fiscal note is a projection, and it's the best estimate that this Legislature has to make fiscal determinations. Ultimately, to say that it is written in stone is a step too far. But the reality for us in budgetary purposes, and when we put a budget to the floor, ultimately make the determination of how much in General Funds is available for any future piece of legislation outside of the budget, the Legislative Fiscal Office's fiscal notes are the estimates and projections this body uses and has always used in recent history to make that determination. That is a fact, but ultimately they are projections and estimates to the best of their ability from an independent, nonpartisan perspective, which I and others have defended for a number of years and will continue to defend. Senator McCoy asked a question--which...I didn't have that information readily available--of what's the fastest-growing aspects of the budget. I just asked the Fiscal Office to provide a five-year average... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MELLO: ...from fiscal year 2008 to fiscal year 2013, on what are the percentage of growth, by General Funds, by different agencies. The courts, the Supreme Court and court system, is a 5.3 percent growth; Medicaid has a 2.2 percent growth; public assistance has a 3 percent growth; developmental disabilities has an 8.9 percent growth; aging programs has a 4.2 percent growth; aid to ESUs has a 4.3 percent growth. Those are just some of the different agencies or different programs that actually have a faster growth rate than Medicaid does. And so I...hopefully, Senator

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McCoy's question...that was over a five-year average, in regard to their average growth rate, which...I mentioned earlier on the floor Medicaid right now, in its base, has a 2.2 percent average growth rate over five years. It's the same number the Fiscal Office gave me in conjunction with the past five fiscal year average. If there's more information I can try to provide, please don't hesitate to ask. I know there was a question, if I have time, of the fiscal note, in relationship to one section, on page 3 or... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR MELLO: Thank you, Mr. President. [LB577]

SENATOR COASH: Senator Hansen, you're recognized. [LB577]

SENATOR HANSEN: Thank you, Mr. President. Members of the Legislature, I have a couple more questions here about the bill itself, if...would Senator Mello yield for a question? [LB577]

SENATOR COASH: Senator Mello, will you yield? [LB577]

SENATOR MELLO: Yes. [LB577]

SENATOR HANSEN: Thank you. Senator Mello, on page 6 of the green copy, it's line 8, subsection (i), where they talk about, "Nonemergency transportation, early and periodic screening, diagnostic, and treatment program services for individuals under 21 years of age...and family planning services." I had a question on that part, on the family planning especially. Is this where, and I've heard it on the, you know, in the national news and national discussion, is this where we get abortion services paid for by the state of Nebraska and the federal government? [LB577]

SENATOR MELLO: I'm going to need you to walk me through the exact line again, of where that is in the amendment and/or the green copy of the bill, Senator Hansen. [LB577]

SENATOR HANSEN: Green copy, page 6, line 8. [LB577]

SENATOR MELLO: I'm looking at it right now. I can ask the Fiscal Office for more information, but I am fairly certain that there is a federal amendment that was known as the Hyde Amendment that forbids any federal funds to be used for any abortion-related services. So I don't quite know where that issue would come into, knowing that it would be in violation of federal law. [LB577]

SENATOR HANSEN: Okay, we've heard it a little bit different from the administration, that those services would be and should be part of the healthcare plan. [LB577]

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SENATOR MELLO: What administration, I guess, Senator Hansen? [LB577]

SENATOR HANSEN: Senator (sic) Obama's administration, Katherine (sic) Sebelius. Second question would be, for Senator Mello, the next paragraph there, where, "Essential health benefits, including habilitative services, which means services designed to assist a person in acquiring, retaining, and improving the self-help, socialization, and adaptive skills necessary for daily living." That's fairly broad, and it doesn't really sound like healthcare to me. Could you tell us what "habilitative" and "socialization," just those two words, would be in a healthcare plan for? [LB577]

SENATOR MELLO: Senator Hansen, I'll do my best, even though I think it may be better to ask Senator Campbell about the definitions. But ultimately my understanding is that "habilitative services" as outlined in the legislation is a new definition that, ultimately, we created. And we defined it essentially in that way to incorporate speech, physical therapy, or occupational therapy. We have the ability, because this is a new definition which also applies to private insurance as it applies as much to Medicaid, that we can change that definition if we so choose. And we have the ability, ultimately, to eliminate those services within a three-year period, or, if we pass LB577, if the 100 percent federal match goes away, we can eliminate those services. It's left up to the Legislature to make that determination. [LB577]

SENATOR HANSEN: Okay, you're still on the thought that we...after three years we can take these services and benefits away from people then? [LB577]

SENATOR MELLO: We can change the definition in regard to what those services are, because we, ultimately, created a definition to qualify for the federal funds in relationship to habilitative services, in speaking with Senator Campbell's and the Health and Human Services' legal counsel. [LB577]

SENATOR HANSEN: What about the socialization part of it? This is pretty broad, when we get to socialization for...as a benefit. [LB577]

SENATOR MELLO: Well, as I mentioned, Senator Hansen, we have the ability to refine that issue. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MELLO: And, ultimately, the broader definition is to ensure that we get individuals to their full capacity to be able to function. And that's what the "socialization" definition, it's my understanding, is what it means. But, once again, in speaking with the legal counsel for the Health and Human Services Committee, we can change that definition if we so choose to because it is a new service that's going to be provided both

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to Medicaid and to private-pay insurance. [LB577]

SENATOR HANSEN: Does that sound like essential healthcare to you? [LB577]

SENATOR MELLO: Well, I guess, Senator Hansen, if someone was to have a stroke and ultimately they were unable to communicate, I think providing them the necessary occupational and physical therapy for them to regain their ability to speak I think may qualify as necessary medical care; but, once again, that would be my interpretation. [LB577]

SENATOR HANSEN: Okay, that's quite a broad interpretation. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Hansen and Senator Mello. Senator Kintner, you are recognized. [LB577]

SENATOR KINTNER: Well, thank you, Mr. President. You know, it seems that every time somebody has a new bill, a new way to spend money, a new way to help people with taxpayers' money, they've got to do it now: we've got to save lives; we're going to spend this money, and we're going to save some lives; do it right now; we've got to do it now. That was what happened with Obamacare: we've got to do it now; we don't have time to read this whole bill; we've got to do it now. In the dark of the night, using Senate rules, they declared it a budget bill, and they passed it with 51 votes. And we know how that turned out, not good for the taxpayer, not good for someone who owns insurance. And we'll find out...the end of that story has not been written. And, you know, I've also heard from one of my colleagues that businesses are flocking to Colorado because we don't offer enough government services. Well, if government services were the attraction, then California would have tons of businesses moving in. But they're moving out; they're going to Texas. And they don't have expanded Medicaid. I would think that...I know that our high taxes have a lot more to do with businesses not coming to our state than not having healthcare or a government program. You know, the other thing we look at as I...AARP says that if we pass this--and they support it, you know, the whole, you know, everyone in medicine has got their hand out for taxpayer money--but if we do this, there will be 19,000-20,000 Nebraskans who currently have insurance who are going to chuck that insurance and go on the taxpayer dime. Now that's the kind of program that we want to have, isn't it? We don't want people to have private insurance; put them on the government program. And then we start looking at...well, actually, I have a study here from the University of Virginia, and they actually looked at health outcomes. Now, I don't think it's all relevant to our state, and I can look at that, but they do make some good points. People who have private insurance have an average stay of 7.38 days, and they spend...cost is \$63,057. If you're uninsured, you stay seven days and the cost is \$65,667. If you're on Medicare, you stay 8.77 days, and it costs \$69,408. And if you're on Medicaid, you're in the hospital for 10.49 days at a cost of \$79,140. So

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if you're on Medicaid, you're going to stay longer in the hospital, and it's going to cost just about \$16,000 more. Now as we're looking at this, let's look at some other government programs, because everyone is saying: We're going to save money; we're going to save money if we just spend this money; just spend this money, and we're going to save the taxpayer money. Now there's all kind of estimates, and we don't know how many people are going to sign up. But I know we're spending a lot of money on Medicaid right now, to the tune of about one hundred thirty-three million additional dollars in the next...this year and next year. That's before Medicaid expansion. But let's look at some other government projections of spending. Medicaid Part A. They figured when they passed it, by 1990 it was going to cost \$9 billion. It cost \$67 billion. These programs always cost more. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR KINTNER: Home care benefits. They estimated \$4 billion in Medicaid. It ended up costing \$10 billion. Special hospital subsidy for Medicaid. They estimated that it was going to cost \$100 billion, and it cost \$116 billion. They missed it again. We could look at program after program after program, and people say it's going to save us money if we just pass this. And every major government program that we've initiated out of Washington has ended up costing a lot more than they said it would. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Kintner. Senator Watermeier, you're recognized. [LB577]

SENATOR WATERMEIER: Thank you, Mr. President. I always want to pay attention when I'm being quoted on the floor. Senator Howard quotes me earlier there, about scared me to death; what did I really say? I've got to come back to my original thoughts on Medicaid expansion and how we think about this in Health and Human Services. And I have to think about it as a businessperson. What if I were standing here today getting ready to sign a contract and I'm in the middle of this shuffle providing this service. Over here is the federal government, and over here is the expanded population of this 55,000 people that we're going to take under our wing. If I were to look at this as a business transaction, I would want to know a little bit of credibility on this side and a little bit of credibility over here. What kind of track record does the federal government really have in holding up their end of the deal? They may just say they can do it. And we all know that this is going to be money that is simply printed. It's going to be borrowed. There is absolutely no way this is going to be paid in any other way. We had an example given the other day: if we don't use this money, someone else will get it. And they were trying to refer to the stimulus package. Well, that was not fair, because that money was a flat allocated amount. If you didn't take it, if Nebraska did not take their money, some other state got it. If we take this money, make no mistake about it, it's going to be printed; it's going to be borrowed. And we're borrowing it from our kids. I don't see any other way

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around it. So I think about this as a contract. Would I be willing to sign the agreement with the federal government today and turn around and pass that money through and give it to the expanded population? Really? Are you going to go by that? I doubt it. And the other part of this discussion is no one has really brought to light the potential risk of cutting this program off in three years from now. What political strength would anyone have to pull that out from underneath those people? I know we've done it in a small amount of ways. We've done it to a small population that Senator Nordquist had mentioned. We did it...we have done it; in 1992, or 2002, they have done it; we have a history of doing it; it can be done. But this would be a big population. I just don't see how it's going to happen. I think Nebraska has a history of thinking things through. I don't want to watch other states; I don't want to do what other states are doing. We're a unicameral, and I'm proud of that. I think people are watching us: what is going on in the Unicameral? But I think there may be some value to taking time and watching what's going on. Three and four years ago there were other states that expanded their Medicaid population, some from 100 percent to 130 to 150 to 200 percent. And then they find out two years later: By golly, we could get the Medicaid expansion; let's go to the federal government and see if they'll now pay for 90 percent of that. Because right now those people, those states that expanded above what they needed to, they expanded it, they're being reimbursed at 55 percent. And so they're in court now with the federal government, trying to see if they can squeeze under these expansion rules. Not going to happen. I think Nebraska would be wise to watch and learn. We don't have to be the first to do this. I'll use an example of being at an auction. A lot of times I'll come home, I'll have bought stuff on an auction, and I felt bad that I was the runner-up; I lost the bid. Well, this may be one of those times where it may be good to be second in line. With that, I want to yield the rest of my time to Senator Schilz. [LB577]

SENATOR COASH: Senator Schilz, 1 minute 30 seconds. [LB577]

SENATOR SCHILZ: Thank you, Mr. President. You know, the last time I was up I talked about big-picture kind of stuff. And in reading through this and seeing what goes on, if you have...just, since I only have a minute left, one of the things that concerns me is what happens when you have somebody that is earning just underneath the eligibility limit. What is the incentive... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR SCHILZ: Thank you. What is the incentive for that person to try and better themselves? Or let's put it a better way. Is it a disincentive to that person to try and better themselves, because if they do better themselves...and we see this all over with what happens with programs. If they do better themselves, then they lose the benefits. When we talk about the American ideal or the American dream or whatever you want to call it, is the American dream to look...to lock people into positions where they either can't or don't want to or can't afford to work their way out? And on this bill, if we expand

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the Medicaid, we will see that, as we see with other programs that are out there. And I think that that's just...I don't think that that's what we should be doing as a state. We talk about a hand up not a handout. [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR SCHILZ: Thank you. [LB577]

SENATOR COASH: Thank you, Senator Schilz. Senator Pirsch, you are recognized. [LB577]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. I wonder if Senator Campbell would yield to an explanatory...to explain a question? [LB577]

SENATOR COASH: Senator Campbell, will you yield? [LB577]

SENATOR CAMPBELL: Yes. [LB577]

SENATOR PIRSCH: Thank you. So it's my understanding, under the Affordable Care Act, that states have the option to provide benefits to the expanded low-income adults January of next year. Medicaid programs have the option to provide Medicaid enrollments with benchmark or benchmark-equivalent coverage based on one of three commercial insurance products or a fourth, Secretary-approved coverage. Is that what we're dealing with here in the bill, the fourth, Secretary-approved coverage? [LB577]

SENATOR CAMPBELL: Yes. [LB577]

SENATOR PIRSCH: Okay. [LB577]

SENATOR CAMPBELL: Yes, we are. [LB577]

SENATOR PIRSCH: And just with respect then to...and thank you very much for that. I guess one of the questions I had is on page 6 of the bill, the underlying bill, green copy. In line 5, it says...well, we'll take it from line 4, 5, and 6 and 7. "Such state plan amendment for the alternative benefit plan shall also include additional benefits required by the federal Patient Protection and Affordable Care Act if they are not included in full Medicaid coverage under Section 68-911, including," and then it goes on to list. One concern that I had is it's kind of hitching us to that which is included in the Affordable Care Act, which may change over time, would it not, or may it not? The Affordable Care Act, in two years from now or four years from now, if it's around, may include additional requirements or less requirements. Is there some sort of, perhaps, issue of delegating our state legislative authority to a body different than this, such that it might kind of bump up against constitutional grounds? That's one of my concerns, and I'll just kind of

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put that out there. And maybe somebody can...I hate to put you on the spot since I just exist...you know, kind of, spoke of that, but maybe if somebody can comment on that as we go along. With respect to the amendment that we're looking on now, and it's been...the question has been divided, and it involves, as I understand it, just what's called the trigger, I guess. It's been referred to as the trigger aspect, where if the federal...here's what it says, I believe: If the federal medical assistance percentage under the...such section falls below 90 percent of the new Medicaid adult group described in this subdivision, in subdivision 11, then the Legislature, in the first regular Legislative session following such reduction in the federal medical assistance percentage, shall determine whether to affirm, amend, or repeal the eligibility of such group or take other action allowed under the medical assistance program to reduce state expenditures for the medical assistance program. I guess my musing here is: Does this language really add anything to the natural state of affairs? In other words, if you were to delete all of the language, does it really change anything about what the inherent power of the Legislature is to either...future Legislatures to either... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR PIRSCH: ...affirm, you know, create, change, or get rid of old legislation? I'm just not sure that the language, in effect, actually does anything except express the power of the Legislature, which is...and so I'll put those two, kind of, questions out, and hopefully I can have some dialogue and some answers with respect to those two issues. And thank you. [LB577]

SENATOR COASH: Senator Chambers, you are recognized. [LB577]

SENATOR CHAMBERS: Thank you, Mr. President. As the song says, (singing) "At last." Mr. President, members of the Legislature, there are two sides here. The sides have been formed. The lines have been drawn. Nobody's mind is going to be changed. The people who came here intending to vote against the bill are going to vote against it. Those who came here intending to vote for it, such as myself, will vote for it. However, it is good that a record is being compiled in the way that it is now. If I get a chance to speak again...and, by the way, this bill does not have to end after eight hours. The only one who can invoke cloture is the introducer of the bill, not people who don't want to talk about it. But at any rate, the question was asked or comments were made about whether anybody had read that stack of paper on Senator Janssen's desk, from 12 to 18 inches high, which represents the federal bill, federal law. There are people on this floor who have not read legislative bills that are three pages long. So if they're not going to read three pages, I know they're not going to read that. I haven't read it. Nobody on this floor has read it. People in Congress haven't read it. But once it's enacted into law, every single word in it is law. And if somebody objects to it, they challenge it in court. The problem with discussing complex issues here is that people don't even understand the system. But I'm not going into all that and I'm not going to talk statistics. I'm going to

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talk about religion, which you all bring every morning with your prayers and prayers, confessions of faith, moral responsibility. I happen to believe, not because it's in the "Bible," that I am my brother's keeper, I am my sister's keeper, and I don't need a god or a Christ to tell me that. I understand that because I have intelligence. I can reason. And as Senator...or former-President Clinton said, I feel people's pain when I don't feel it in myself. And there's a song that said, it's so easy to hurt others when you don't feel pain. There was a senator who was talking about some...the way my colleagues do here about how much they have experienced, and he said, all of us have been poor. And Senator Dupont stood up and corrected him and said, Senator, not all of us. So when I hear these senators from rural areas talking about handouts and not "hand-ups," get rid of all the subsidies, all the crop subsidies, get rid of crop insurance, get rid of low-rate, low-interest loans, get rid of all of it. But when it's a "gimme" and their hands are out, they want it and they take it. And when there has been an emergency declared, they want that money coming to them and they don't reject federal aid, so all this is very hypocritical and simpleminded. These people who are against a proposal that will help so many people in the rural areas where I read about the absence of medical services are more opposed to President Obama than they are in favor of the people around them that they serve because they've been sold a bill of goods. Now what about this notion of our grandchildren having to pay for this? There are grandchildren right now, there are children right now who don't have medical care. So why...it sounds hollow to me when you talk about grandchildren yet unborn, children yet not conceived, concerned about them paying for something when you're not concerned about providing needed medical care for the grandchildren and children here. So you all talk a lot of nonsense, and I'm going to deal with it should I get another chance to talk. And I say again, we don't have to end after eight hours. One thing I admired about the Kennedy family... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR CHAMBERS: ... was they had their wealth. Ted Kennedy pointed out when he had that brain cancer, he said, this gives you a concrete example of the difference between people who have and those who don't. He says, my family has money. I can afford to get the best medical care, wherever it's available, in the world. And that puts into sharp focus for me what befalls those people who don't have wealth, who can't pay for what I can pay for. So some people around here got two nickels they can rub together and they can go to the doctor, but they don't think about those who cannot. The question that I put to you is one that that first murderer put to God: Am I my brother's keeper? It's a question put to you, but I answer it. I am. And whether you like it or not, every one of us is our brother and our sister's keeper. [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR CHAMBERS: And you ought to be ashamed of yourselves for not accepting that responsibility. Thank you, Mr. President. [LB577]

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SENATOR COASH: Thank you, Senator Chambers. Senator Avery, you are recognized. [LB577]

SENATOR AVERY: Thank you, Mr. President. I started out this morning not quite certain how I felt about this bill or what I thought of it. I am evolving as we go along in this debate. I am convinced that this is desirable, no doubt about it. I am, however, concerned about whether it is sustainable over the long haul. I listened for six hours to this debate, and one of the persons whose questions I still remember came from Senator Harms when he kept asking, is this sustainable over time, over the long haul? I don't really have the answer to that yet, and I don't know that anybody in here does. But that's a big question for me. There are many aspects of this bill that are persuasive. If I just look very narrowly at my own county, the election (sic) commissioners in Lancaster County voted almost unanimously to support this bill because of an annual savings of \$2.8 million. They're afraid that without this, that the \$2.8 million would require them to raise property taxes on the taxpayers of this county. Another persuasive element of this debate is that I'm getting a lot of constituency mail, and I can tell you, from what I hear many of you say, your constituents are opposed to this, well, mine are not. I'm getting a lot of support from my district. One of the reasons might be that about 36 percent of my district would qualify for assistance under this bill. That's nearly 5,000 households, and that matters to them and it matters to me. I am also impressed with the fact that there is in this bill an opportunity to reduce or eliminate the hidden tax of uncompensated care. All...many of you have addressed this already. But the information I have shows that those of us who have health insurance coverage actually pay a hidden tax of about \$1,107 to compensate for healthcare for the uninsured. This bill would do away with that or at least reduce it significantly. I find these issues pushing me in the direction of support. But there is one more issue that I am worried about, and I am going to ask Senator Campbell to yield to a question in order to help me answer it. [LB577]

SENATOR COASH: Senator Campbell, will you yield? [LB577]

SENATOR CAMPBELL: Yes. [LB577]

SENATOR AVERY: Thank you, Senator Campbell. I am told by people in the health provider community that we have a shortage of providers already and that this bill, if it becomes law, would put us in a position where we would not have enough providers to meet the increased number of patients and it might overload the medical provider care system we have now. Where would those needed additional healthcare providers come from? Could you address that? [LB577]

SENATOR CAMPBELL: Senator Avery, we've touched on this topic here and there as we've gone through the discussion today. [LB577]

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SENATOR COASH: One minute. [LB577]

SENATOR CAMPBELL: And I believe that the healthcare providers across the state have signaled that they have been thinking about and preparing for not only the ACA but expansion. [LB577]

SENATOR AVERY: I have one more question, if you don't mind. I have a great deal of respect for you and the work you do in this area, so I'm going to ask you the hardest question of all, and that is: Convince me that this is sustainable, can you? [LB577]

SENATOR CAMPBELL: Senator Avery, I think that's why we need to go back to the handout that Senator Nordquist put forward, and that is, as you look, over time, we have developed several options that we would repurpose funds that we are now using state General Funds in order to pay for this expansion. And over time... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR AVERY: Thank you, Senator Campbell. [LB577]

SENATOR COASH: Thank you, Senators. Senator Wallman, you are recognized. [LB577]

SENATOR WALLMAN: Question. [LB577]

SENATOR COASH: The question has been called. Do I see five hands? I do. The question before the body is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Senator Campbell. [LB577]

SENATOR CAMPBELL: I'd like a call of the house on the question, please. [LB577]

SENATOR COASH: There has been a request for a call of the house. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB577]

CLERK: 34 ayes, 0 nays, Mr. President, to place the house under call. [LB577]

SENATOR COASH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unexcused personnel please leave the floor. The house is under call. Senators Burke Harr, Lathrop, Senator Price, please return to the Chamber and record your presence. Senator Nelson and Senator Brasch, please check in. Senator Campbell, how would you like to proceed? [LB577]

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SENATOR CAMPBELL: Machine vote. I will... [LB577]

SENATOR COASH: Senator Campbell, would you like a call-in... [LB577]

SENATOR CAMPBELL: Yes, please. [LB577]

SENATOR COASH: Senator Campbell is accepting call-ins. Mr. Clerk. [LB577]

CLERK: (Microphone malfunction.) [LB577]

SENATOR COASH: Members, the question before the body is, shall debate cease? [LB577]

CLERK: Senator Burke Harr voting yes. Senator Price voting no. Senator Lathrop voting yes. Senator Murante voting no. Senator Mello voting yes. Senator Wightman voting no. Senator Davis voting yes. [LB577]

SENATOR COASH: Record, Mr. Clerk. [LB577]

CLERK: 25 ayes, 20 nays to cease debate, Mr. President. [LB577]

SENATOR COASH: Debate does cease. Senator Campbell, you are recognized to close on AM1028. [LB577]

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, in the division of the question, we put up first what is known as the trigger, which means that if the federal participation falls below the 90 percent, the Legislature would act. And I would say to Senator Pirsch that I do believe this is an important amendment and an important part of it. It sends a very clear message to all that the Legislature would act, the Legislature would have...it could repeal it; it could amend it; it could affirm it; it could make adjustments to the Medicaid state plan. There are 50 states and 50 state amendment...or 50 state Medicaid plans. It's our plan and we set forth that policy. A number of you have indicated to me that you are anxious to go to the second part of this, which is the sunset, and that is where people have voiced some suggestions as other alternatives. So I would ask an affirmative vote on this portion of the amendment so that we can move to the second part of it. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Campbell. Members, you've heard the closing to AM1028 to LB577. The question before the body is, shall AM1028 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Senator McCoy. [LB577]

SENATOR McCOY: I wish to change my vote to present not voting. [LB577]

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SENATOR COASH: Record, Mr. Clerk. [LB577]

CLERK: 30 ayes, 12 nays, Mr. President, on adoption of Senator Campbell's amendment. [LB577]

SENATOR COASH: AM1028 is adopted. Mr. Clerk, you have a motion on your desk. [LB577]

CLERK: Mr. President, Senator McCoy would move to reconsider the vote just taken with respect to AM1028. [LB577]

SENATOR COASH: Senator McCoy, you're recognized to open on your motion to reconsider. [LB577]

SENATOR McCOY: Thank you, Mr. President and members. I don't file a motion and just file it lightly. I don't think we've had full and fair debate. I requested that AM1101 be divided about two hours ago, a little over two hours ago. I've yet to get an opportunity in the queue to even speak to why I asked the original amendment to be divided. On an issue of this magnitude and this significance to our state budget, to the future of our state, I think it's incumbent upon us to have members have the opportunity to weigh in. There were many, many, many lights in the queue. I appreciate what Senator Campbell just said, that there are those that want to move on to the second amendment, which is AM1029. I agree, it's also an important amendment. That's why I asked them to be divided. Members, we're talking about something that is vitally important to our state budget, a federal match that has enormous significance to all phases of our state budget, to every aspect of the lives of the 1.8 million Nebraskans across the state. That's not a discussion that ought to only last a couple hours and not even have an opportunity for everyone to weigh in. I know we have a lot of things to get to in this body. We all have priority bills; committees have priority bills. But I would ask you, what more important issue do we have to cover in the 2013 Session than this right here, right now? I file this reconsider motion because we need to have members have the opportunity to weigh in more on this. I know some of you don't remember this because you've been here maybe just a short time. This is my fifth regular session. Members, we spent almost two weeks of half-day days in the 2009 Session on roadside trapping--roadside trapping, members. Those of you who were here remember that. It was our first protracted discussion on the floor. We spent more time, members, on roadside trapping. We all remember the stories from Senator Ken Haar about picking flowers in the road ditch, those of us who were here. I'm not making light of that, but we all laugh and chuckle when we remember those stories of that debate. We spent more time over live traps versus dead traps, over one-legged traps versus full-body traps, snares, than we just spent on speaking to a federal match for the biggest portion of our state budget. That's just not right. I'm sure there are members who agree with me. So I

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had to file a reconsider motion to even get an opportunity to talk about why I asked this amendment to be divided in the first place, and so I will. You heard Senator Hansen discuss habilitative services and ask why that's not part of the fiscal note. I believe the answer was, it's hard to be determined. I'm going to speak to something Senator Crawford said and...that we shouldn't let emotional suspicions of the federal government cloud our judgment. I would say that emotional decisions don't really come into play here but facts do. Facts do. It's a fact: The federal government has reneged on its commitment on funding level to special education from where it was at the onset. Our federal government is broke. They haven't had a budget. Special ed started out with 40 percent funding from the federal government and now we receive 18 percent. We've all heard it said, well, they've never reneged on Medicaid funding. Well, guess what, there's a first time for everything. And when we are in debt to our eyeballs to China and we're broke as a country, there is a first time for everything. Do you want that to happen on your watch? I know I don't. We make responsible decisions in Nebraska. I'd like to trust the federal government to make responsible decisions with our tax dollars, but it doesn't happen very often. You know, Senator Krist said earlier that the sunset and the trigger, the circuit breaker, whatever you want to call it, the two components in the original amendment, was meant to be a comfort factor for members on this issue. Where's the comfort factor for Nebraskans? Taxpayers, members, where is the comfort factor for them? They got up this morning. They fed their kids. They took them to school. They went to work. They've been at work all day while we've talked about this issue. Guess what? They're trusting, when they get home tonight, before they go to bed and they turn on the 10:00 news, they're trusting that we're making good decisions down here. I'd be embarrassed to have them click on the 10:00 news and discover that we spent as little time on this subject as we have thus far. Embarrassed. It's beneath us. We're better than that. We have a rich tradition in our Legislature, in our Unicameral Legislature, of making hard decisions right. You know what this reminds me of? What happened in Washington with the Affordable Care Act. Let's ram it through so fast we hope nobody reads it. Is that a way to legislate? They can do it in D.C. We don't have to do it here. We have more tradition than that. We're better than that. Our citizens expect more than that. You know, I think that another point that needs to be brought up, as Senator Lathrop said earlier, that this bill won't cost the Nebraska taxpayer a penny over the next three years and then Senator Campbell said later, well, we...a lot of us sent off tax checks to the federal government and to the state government yesterday. I know I certainly did. Guess what? This bill will certainly cost Nebraska taxpayers a heck of a lot more than a penny. If you have taxable income, you're part of this. It's not free money. That's what's gotten our federal government into a whole lot of hot water. It's our taxpayer dollars. Those same constituents of all of ours that got up this morning, took their kids to school, went to work, it's their tax dollars. You know, some people have said, well, you know, doing little cuts here and there won't do any good. Guess what? You've got to start somewhere. We didn't get ourselves into this mess in Washington, D.C., at our federal government level, overnight. And we're not going to get out overnight. But guess what? You're either part of the problem or you're part of the

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solution, and I don't believe this bill is part of the solution. You know, nobody has talked about, yet, that the state of Arkansas is looking at a whole other system of how to do this, to provide private health insurance using federal dollars. I haven't heard any discussion about that today. Why not? Why aren't we looking at that as an option?
[LB577]

SENATOR COASH: One minute. [LB577]

SENATOR McCOY: Thank you, Mr. President. You know, we've had a lot of discussion earlier this session about two bills that I introduced, LB405 and LB406, to reform our tax system in this state. Well, guess what we discovered: that a lot of things that we hadn't necessarily thought of were a problem in that discussion. So now we're moving on with LB613 to study more in depth how to reform our tax system. I think that's what ought to be done here. We ought to take time, put together well-meaning senators--like Senator Gloor, Senator Campbell, Senator Nordquist, and others--to study this, study the implications of what we're doing, look at what Arkansas is doing, look at what other states are doing, and to decide, is this the route to go? Thank you, Mr. President.
[LB577 LB405 LB406 LB613]

SENATOR COASH: Thank you, Senator McCoy. Members, you've heard the opening to the motion to reconsider the vote last taken. Senator Janssen, you are recognized.
[LB577]

SENATOR JANSSEN: Thank you, Mr. President and members. And I do support the reconsider motion for the reasons laid out by Senator McCoy, perhaps should have objected to the actual question even being called. I do recall those days of voting on snare traps and whatnot, and I do recall as we kind of chuckled talking about Senator Haar in the ditches picking flowers and children perhaps getting caught in those traps and Senator Lautenbaugh saying that he just drove all the way from Omaha and he traversed several kids and he didn't see any of them stuck in the ditches of Omaha in snare traps. So safe to say I don't think we've had any accidents since then, so we must have acted correctly at that time. I also remember a similar debate--not similar, but in that first year. Senator Karpisek was talking about a particular bill--and I'm not certain which one it was--and he was filibustering. It didn't go all the way to a filibuster. A compromise was worked out. And he started singing the theme from Gilligan's Island, which is horrific, by the way, hearing him sing it. I mean, it's a pretty catchy jingle overall. But I think it was then--well, now--Senator Gloor called the question, and he objected, and that was upheld. There was not full and fair debate. I don't recall what that issue was, but I'm going to tell you, it's probably not, definitely not, as important as what we're talking about right now. We're talking about...I'm talking about not only the bill before us but the bill that led us to this, House Resolution 3590, my prop, if you will, which it's not, as I've referred to it once again. Have I read it? No. I sought out Senator Chambers because I was thinking, if anybody on this floor has read it, it would be him

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and, as he mentioned on the mike, he did not. I spoke to one of my colleagues this morning when this was brought to my desk from Senator Kintner's desk and asked the colleague...the colleague asked me, did you read it? I said, no, I haven't read it in its entirety. And they said, well, I haven't either, but I liked it before it was even, you know, put out. And I said, well, we probably are just the opposite end of that. So I think, as Senator Chambers said, I think our minds were kind of made up before we got here today on where we're at on this issue. But it definitely bears discussing. I say you can't pay for expanded Medicaid on deficit budgets, and that's what we have right now. And I believe it's fair to reference Obamacare, Affordable Care Act, whatever you call it. It's fair because that's the reason we are here. Senator Watermeier kind of stole some of my thunder when he talked about the \$2.3 billion left on the table, which I referenced earlier, which would be money put into the healthcare industry, which I am a member of, if you will. And I said no to it and I say no to it. And it doesn't go to other states. I believe he is correct. If not, I'm sure there are several of you that will come behind me and attempt to correct me. So it doesn't go to other states. And I want to remind you of what I mentioned this morning. If you're being sold the line of goods that it's going to cost us nothing...it's free. Of course we'd like it. It's kind of chilling, a little bit. Senator Avery talked about, well, of course my district likes it, most people in it...there's going to be 30...close to 40 percent of the people are going to qualify for it. Well, Shangri-La, we're going to give them something, and they support it. Wow. I'm shocked. How do we pay for it? And I've heard people talk about it. I've heard the sustainability. I don't buy into it. I don't think it is sustainable, long term. [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR JANSSEN: Thank you, Mr. President, and, as I promised, I will yield the balance of my time to Senator Scheer. [LB577]

SENATOR COASH: Senator Scheer, one minute. [LB577]

SENATOR SCHEER: Thank you, Mr. President. Just real quickly I wanted to make one other comment that I didn't get to earlier, and that was in regards to the governmental commitments. Senator Crawford said that special ed was different than this, and it really isn't, because we're talking about a commitment. And years ago when the federal government asked school districts to get involved with special education as part of their discipline, they made a commitment to cover a considerable change...portion of that...those dollars. The federal government has never, in any given year, provided the assistance that they guaranteed to when they first started. So, you know, you don't have to trust me. You can look it up. You can call any of your local school districts and ask them if they've ever been reimbursed at the level they were supposed to be when special ed was first started, and they're going to tell you, no. The state has provided some funds. The federal government has provided some but not to the level that they were supposed to. [LB577]

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SENATOR COASH: Time, Senator. [LB577]

SENATOR SCHEER: Does that make a difference? I don't know. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Scheer. Senator Schilz, you are recognized. [LB577]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. You know, I've sat here and listened for a while, and we've talked about cost savings and talked about how we can move money here and move money there. And I'm looking at the bill, and I see within the bill we talk about...and Senator Larson brought this up earlier. We talk about pregnant women with family income equal to or less than 185 percent in the bill. So I'd like to ask...is Senator Nordquist here? Okay, would Senator Nordquist yield to a question? [LB577]

SENATOR COASH: Senator Nordquist, will you yield? [LB577]

SENATOR NORDQUIST: Yes. [LB577]

SENATOR SCHILZ: Thank you, Senator Nordquist. And I've got some of the information that you handed out, as well. And we talk about these different places where savings is going to be made up, and I believe that...the part about the pregnant women, would that be some of the savings that we could get? [LB577]

SENATOR NORDQUIST: No. The Governor's Office conducted a study through Milliman, Inc., and that did identify the pregnant women program. And I think someone may have included that, maybe the hospital association, in a packet. That is not what we're talking about here. That would take a separate statute to change the program for pregnant women in our state. [LB577]

SENATOR SCHILZ: Right. Thank you. Then my next question for you...and I do appreciate your answers. My next question would be, these other programs, do they take any statutory ventures, or can the Appropriations Committee just move that? [LB577]

SENATOR NORDQUIST: So if we're talking about the sheet that I handed out earlier, everything in the fiscal note can just be moved around through the budget process...well, through the A bill, ultimately, that will be accompanying this, that the behavioral health savings, the Appropriations Committee has put in the status sheet that we are going to capture \$20 million a year. That's going to be sitting on the bottom line. It's a new \$20 million that would be available to pay for this. The bill...and then the other

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piece is the comprehensive high-risk pool money. That could, in future years...that's going to flow to the General Fund. It could just be captured. We're saying we'd like to go ahead and put in statute right now that that money is going to be captured to be used for this specific purpose, and that's \$9.2 million. That would take a bill. That bill is on General File. It's been advanced from the Health Committee. So, yeah. So only one of those would ultimately take a specific statute change, and that would be the LB578. [LB577 LB578]

SENATOR SCHILZ: Thank you, Senator Nordquist. Are you or any of the proponents of LB577 going to look at amending that into this bill so that folks can understand that it's happening now and not later? Because if we don't do that and that fails,... [LB577]

SENATOR NORDQUIST: Yeah, yeah. [LB577]

SENATOR SCHILZ: ...then we lose out on some of the savings that you're talking about. [LB577]

SENATOR NORDQUIST: If, certainly, that gives comfort to members, I think that's something we would be willing to talk about with the...with Senator Campbell. The reason I didn't prioritize it--and I thought about prioritizing it this year, along with this bill--was that, as you can see, we don't start capturing those savings for two years, so there really wasn't a purpose to have...you know, no real rush to have to pass it this year. So I would commit to the body that, if this bill were to pass, I would prioritize it next year. But if we need to, to gather support in this body to pass this bill, I would offer it, with Senator Campbell's blessing, as an amendment to this bill. [LB577]

SENATOR SCHILZ: Thank you, Senator Nordquist. And the reason I bring this up is that, you know, as we've heard and we've watched, we saw several different iterations of the fiscal note come out, and we saw how the... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR SCHILZ: ...how it morphed. Thank you. We saw how it morphed from basically a wash to saving some money, and I was just wondering what the steps were to get there. And I'm just...you know, I don't know if this thing is ready to go. I think there are some huge questions. I will say I do support the reconsider motion. I think we need the time. I know there was a lot of things that I still had questions about, and I'm glad to get the opportunity to ask Senator Nordquist about this. But hopefully everyone will understand that this is important and that this motion to reconsider is important to get everything on the record that needs to go on the record so that people can make an informed decision about which way to vote on this important bill. Thank you very much, Mr. President. [LB577]

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SENATOR COASH: Thank you, Senator Schilz. Senator McCoy, you are recognized.
[LB577]

SENATOR McCOY: Thank you, Mr. President and members. I want to talk to you about a handout that I handed out about, oh, almost an hour ago, didn't have a chance to talk on it, which is why we're to a reconsider motion. One is a Washington Post article from February 28 of this year. The other one is a Heartlander... a heartland.org article. Both are on the state of Arkansas, and I think both present...some of you may have seen both of these. I think it's very intriguing. To my knowledge...and I have been through every jot and tittle of the transcript of LB577 and LB578. I don't know what happened in the Exec Session dialogue. All of us, obviously, unless we serve on one of those standing committees, don't know all of what happens unless we ask. I've asked. I haven't gotten a real clear-cut answer, and that's fine. I don't expect to know. We're all privy to that only on the committees we serve on. But to my knowledge, unless I missed it--and I don't think I did, and I don't believe it's been mentioned today--Arkansas is expanding coverage without expanding Medicaid. I don't think that's been part of this discussion at all. That's why I did it as a handout on the floor, so you could all read and see for yourselves. I go back to what I said. We don't make big decisions lightly in our state with our budget, with what we do in the Legislature. This is an enormous decision, as I think we all know, or at least I thought we all knew it until we went to a vote like we did on that amendment. I don't know why we don't look at an option like Arkansas is doing. I'm going to read to you parts of it. You can read it yourself, but for the record I'm going to read part of it. Health and Human Services--that would be Health and Human Services Department in Washington, D.C., not the Arkansas Health and Human Services Department--has agreed Arkansas can pay premiums for a commercial insurance purchase of the state's partnership-based health insurance exchange using the federal funding that would have gone to expand Medicaid. Later on in the article, this is from the Heartland article: Even though Medicaid reimbursements are lower, studies suggest commercial insurers do a better job of controlling costs. Studies of pediatric surgeries suggest...and Senator Gloor has talked about this numerous times, not just in this discussion but in the past years that he's served...he and I have served in this Legislature. The studies of pediatric surgery suggest Medicaid patients have greater morbidity, hospital lengths of stay, and total charges even after controlling for differences in patients' hospitals and operations. I don't know that we're going about this the right way. Now keep in mind--I want to be very clear about this--I am not criticizing the absolutely vital hard work that Senator Campbell, as Chairwoman of the Health and Human Services Committee, the members of the Health and Human Services Committee, the staff, and all of those on both sides of this issue have put into this discussion on LB577. I am not criticizing that. I want to be very clear. I am just saying we have floor debate in this Legislature to make public policy, and there are only 49 people in the state of Nebraska that get the opportunity, the privilege, to represent our constituents when we vote. I believe this Arkansas option needs further study, options like it. And I don't believe it's gotten any discussion at all, unless it's been behind closed

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doors. And if it's been behind closed doors, I'd like to know about it. I'd like to know why... [LB577 LB578]

SENATOR COASH: One minute. [LB577]

SENATOR McCOY: Thank you, Mr. President. I'd like to know why it isn't part of the bill. Perhaps proponents of this legislation could speak to it. Again, federal Health and Human Services and Secretary Sebelius--to the surprise of many, the Washington Post article says, including Governor Beebe--gave a green light to the proposed plan in Arkansas. I think this is a novel approach. I don't know whether it would work for Nebraska. Perhaps it would. But has it been part of the discussion? Unless we explore these opportunities, can we really know if it's good public policy? I don't think we can. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator McCoy. Senator Lathrop, you are recognized. [LB577]

SENATOR LATHROP: Thank you, Mr. President and colleagues. You know, I was listening to Senator McCoy say that I said, this is free, it won't cost us anything. I want to make...I want to clarify something, because I appreciate that we are Nebraska state senators and our first concern is for the Nebraska state budget and the people who sent us here, the residents of the state of Nebraska. And to the taxpayer who is writing a check to the state, this will not cost the state treasury to expand this program. That's not to say that those of us who write checks to the federal government, and I do, will not contribute to the cost of this program being expanded. But understand we're going to write that check anyway. So we can see other states provide this coverage to their citizens, and we're going to be paying for it. The question is whether or not we're going to get help from them to pay for our folks. I get that the federal government is going to pay for this, and we're all taxpayers; and, believe me, I pay taxes, and I pay taxes every year. This is about whether or not this makes sense for the Nebraska Legislature to insure 54,000 more of its people going forward and what it will cost our General Fund and this institution. That's my point with respect to the cost. And with that, I'd yield the balance of my time to Senator Nordquist. [LB577]

SENATOR COASH: Senator Nordquist, 3 minutes 10 seconds. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. I, too, want to respond about the specific provisions of the so-called Arkansas plan. It's been kicked around a lot in federal circles. I've been on a number of calls and webinars with CMS talking specifically about this option. The first thing they wanted to make clear was they are going to approve a very limited number of these demonstration waivers. They are 1115 demonstration waivers for purposes of informing policy down the road. They're not intended to be all things to all people, to let every state do what they want and go

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around the confines of the Affordable Care Act. So that's number one to keep in mind. Number two, all 1115 waivers are very difficult to get approved. If you...we've tried to introduce legislation asking the department to do one in the past; and they said, oh, my gosh, this is going to be a two-year process and we've got to have all our ducks in a row, or CMS will never approve it. Well, what do you think is going to happen if we pass a bill here today that says, Governor, you do...you submit a successful demonstration project, and the Governor doesn't like it? You think they'll submit a successful demonstration project? Probably not. The fact of the matter is, in Arkansas, their governor is taking leadership in trying to solve a problem for their uninsured. That would be nice to work in a state like that once in a while, where we have people working together to solve big problems like this instead of pointing fingers. That's what's happening in Arkansas. But the other issue is--for those of you that have come around on this plan or during this debate and said, we can't afford this, the federal government can't afford it, this is so expensive--as Senator Crawford said, from the Congressional Budget Office, it's crystal clear: It costs \$3,000 a year more to cover somebody with a private health insurance subsidy than it does on Medicaid. So if you're interested in saving us or the federal government money, this isn't a good plan. If you're interested in getting anything done without the Governor leading on it, this isn't a good plan. And, finally, CMS has been clear that this is going to be a very small approval process. Anyone who wants...the two articles that Senator McCoy sent around are from March and February. There's been some updated guidance and regulation from CMS about this. If you're interested, I have a copy that I have marked up, but I can certainly pull other copies. So this just isn't...you know, Arkansas, it has different demographics than Nebraska. It's, you know, certainly a much different state, so we probably shouldn't follow their lead necessarily either. I think LB577 is the best path for Nebraska. It's the most fiscally prudent path for Nebraska to get our low-income uninsured working citizens the healthcare that they need. Thank you. [LB577]

SENATOR COASH: Thank you, Senator Nordquist. Senator Mello, you are recognized. [LB577]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I rise in opposition to the reconsider motion. And listening to Senator McCoy open on the motion stirred some memories for me as a senator two years ago, 2011, where we had debated a bill in this body, for three rounds of debate, that spent \$1.5 billion of earmarking General Funds towards road construction. It's unique to see, two years later, that that argument and those issues that were raised two years ago about having a lengthy debate on what will be the largest earmark in the state's history, of how that debate has now changed. I don't disagree with Senator McCoy that we should be discussing this issue, and I fully anticipate we'll discuss it for at least eight hours. But I think for us to not be honest as a body, of saying, two years ago when we discussed a \$1.5 billion earmark for road construction, I hadn't...I have yet to hear those who are in opposition to this bill stand up and say, yes, and I was in opposition to LB84 two years

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ago because we didn't have the money then and we don't have the money moving forward. As the returning members remember, I was on the losing side of that debate. And I raised fiscal concerns against the Chair of the Appropriations Committee of saying, how do we finance this, how do we do this? And ultimately it was a delayed implementation and the answer was, we'll find out in two years. Well, the two years are now here. We are financing LB84 and it's part, essentially, of our budget process now; \$130 million, roughly, is taken aside from the budget, earmarked for road construction. Set aside the less than three-and-a-half hours' debate last year we spent on roughly \$100 million income tax reform bill that we passed. When we discuss the importance of debating big fiscal issues, we can have differing opinions. We can have different priorities. I fully can appreciate someone saying to me, I want to prioritize state spending on road construction at \$1.5 billion in comparison to spending \$63 million for healthcare for low-income Nebraskans. I can appreciate where people can disagree on that. But we need to remember where we've been. We had this debate two years ago. People were confident two years ago that we could spend \$1.5 billion over the next 20 years, roughly \$130 million a biennium, on road construction. LB577 saves some funding in the next four years. It does have a fiscal cost moving forward. The question we need to ask ourselves is, can we afford that moving forward? Are there changes in our healthcare system that will need to be made for us to be able to afford that? Obviously, as a cosponsor of this bill, I believe we can. Now, granted, AM1028 helps to, I believe, try to mitigate some of the concerns that those individuals who oppose the bill bring up in regards to fiscal federal concerns, that the federal government is going to pull the rug out from underneath us. If that's your concern, vote for AM1028 because it makes us revisit this issue if they do. I can appreciate Senator McCoy's point of contention that we, essentially, have not been fully funded from the federal government for special education funding. But I would argue that the Legislature, with AM1028, can change that. We can put safeguards in place to make sure that, if it's the will of this body and the will of the state to reform our healthcare system by expanding access to low-income Nebraskans through Medicaid, that we put provisions and safeguards in place to make sure that if we make an agreement with the federal government and they don't keep their side of the agreement, we can back out of it. But, more importantly,... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR MELLO: ...I want to just...I wanted to, more than anything else, revisit what the returning members of this body went through two years ago--actually, I'd argue the last two years, back to back--a \$1.5 billion earmark for roads construction and \$100 million income tax cut last year. It's one thing to stand up and say you don't believe that Medicaid expansion is a priority of yours or it's a budget priority, a fiscal priority moving forward. We can have those disagreements, because we have them every day. But to stand up and to try to make an argument that fiscally we can never afford this, this is impossible, how could we ever make the argument that this could be fiscally done?

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Colleagues, the past is prologue, and two years ago many of us on this floor overcame a filibuster against those who made a similar argument. We swallowed our pride, we moved on, and now it's part of the budget process and ultimately... [LB577]

SENATOR COASH: Time, Senator. [LB577]

SENATOR MELLO: ...the state is moving forward with our budget. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Mello. Senator Nelson, you are recognized. [LB577]

SENATOR NELSON: Thank you, Mr. President, members of the body. I stand in support of the reconsider motion because I think there is still a lot to be said. And after having been in queue for a long, long time and never had an opportunity, I'd like to say a little bit now what I wanted to cover before. First of all, with regard to the amendment to...that's AM1028, I just have to say that I look at it as a placebo and wishful thinking on the part of people who think that in, basically, 2021, we can come in and reduce or amend or change what we have already done for seven or eight years. I don't...maybe with a few exceptions, I doubt if anyone on this floor today is going to be here at that time when there's a possibility that the federal government could go from 90 percent down to 80 percent or something like that. When we think about where we are now with Medicaid and how difficult it is to reduce any portion of Medicaid at this time, I might reference three or four lawsuits that have been filed in the past several years--by Appleseed, for instance--which have been successful, because the Department of Health and Human Services wanted to reduce something or they wanted to take...somebody's income had gone up and they wanted to take them back and do away with their aid. And granted, those were administrative decisions, but I think that carries over to policy decisions. And if we find ourselves eight years from now in a lot of trouble because the federal government has decided to go from 90 percent to 80 percent, which I think is very likely, I think we're going to have to come up with the money somewhere, and it's going to have to come from other programs, from education and places like that. I just don't think, from my experience in the past seven years, that we're going to be able, even though we have the availability to do it then or the possibility, that that is going to happen. If you look at the fiscal note here, the revised number 3, it estimates in fiscal year 2019-20 that there will be 65,989 enrollees. We're going to be paying \$32 million at that time. The federal government will be paying \$371 million. I just did some figures here. At the present time on Medicaid we're at a 54/46 percent match. Just suppose in 2021 our federal government, because of its fiscal constraints and everything, said, sorry, we're going to have to go down to 80 percent. In 2021 our cost would go to \$37 million--this is in addition; this is for this new group--next year, \$44 million, almost \$45 million; 2425, we will be paying, \$25...\$55 million...well, \$55 million, \$56 million by that time, and that's at 10 percent, and I won't go into the

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biennial figures. If later we had to go down to 70 percent, we're talking about state expenditures of \$74 million; and then we go the next year, \$80 million. Those are some things I think we need to look ahead to. We...as has been said before by many speakers, our federal government is in trouble. I don't see, especially in light of worldwide conditions and the possibility that our stock market may go from where it is today and go down by 50... [LB577]

SENATOR COASH: One minute. [LB577]

SENATOR NELSON: ...or 100 percent and because of that cause problems for all the states, I don't see how we can sustain this type of expenditure for expanded Medicaid. I have more to say, but that will take more time. If Senator McCoy needs a few seconds by now, I will give him the remainder of my time. [LB577]

SENATOR COASH: Senator McCoy, 30 seconds. [LB577]

SENATOR McCOY: Thank you, Mr. President and members. Senator Nordquist has provided me some information from CMS on Arkansas. It validates what I have demonstrated so far in what I've talked about, in that a state may pursue premium assistance as a state plan option without a waiver. I'll have further opportunities to speak. Thank you. [LB577]

SENATOR COASH: Thank you, Senator McCoy. Senator Scheer, you are recognized. [LB577]

SENATOR SCHEER: Well, I just wanted to bring...thank you, Mr. President. I'm not really going to talk, I guess, to the reconsider motion but more to the body, that I'm hoping, through this conversation in regards to LB577, that we can show patience with each other. I think we are being a little quick to the draw in some cases. We're having good conversation. Sometimes it may be not the conversation that some of us want to hear but, having said that, it's still conversation that has to be had. And so I'm not going to belabor the point, but I wish all of us will take just a moment to sit back in our chairs and think about what we're doing and what we're saying and how quickly or how slowly we'd like to get something done. There is the art of compromise. I don't know that there's compromise here, and that's okay, too, if there's not. However, I do think we have to have civil conversation and be willing to listen to those with opposing views. You don't have to agree with them, but at least have the opportunity to let them express their views without having derogatory or any type of comments being "flinged" at them or having motions to stop debate, literally, you know, a small time into the discussion. So I've probably said more than I should, but I wish all of us would just take an opportunity to sort of sit back and think about how we're proceeding. This is probably one of the first larger items that will come in front of us this year, and I just want to make sure that we set the tone for the rest of the year in a manner that we can all be proud of.

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So thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Scheer. Senator Gloor, you are recognized. [LB577]

SENATOR GLOOR: Thank you, Mr. President. This clearly will be the last time that I or many other people are going to get to the mike today. I want to put a positive spin on things, although I would say, overall, I think the level of discussion and debate about this issue has been very positive, from the standpoint of being informational, educational, and an exchange of ideas, thoughts, differences of opinion. And I will not reference the past, mainly because a memory of talking about roadside trapping for lengths of time is a painful memory for me. There have been a number of cases today, very poignant ones, that have related Nebraskans in need of health services--friends of ours, family of ours, people that we know, people we don't know. But let's not forget that one of the positive aspects and something I think we can probably all agree on--well, I won't say all, but a large number of us can agree on--is the fact that the Affordable Care Act has brought forward a concept that has been kicked around for a long time. That's insurance exchanges. And I point that out because insurance exchanges will, I think, provide an opportunity for Nebraskans, for small employers, for individuals, to be able to finally buy insurance products on the market. We don't know how successful that's going to be. We know this is an issue that goes clear back...well, I won't say how far back. But politically it goes back to the early 1990s, where it was a platform in the Republican Party, pushing this as a market-driven approach towards revising healthcare. Lo and behold, 20 years later, we find health insurance exchanges part of the Affordable Care Act and something that we are close to implementing, within months of implementing, something that we have worked a lot on, at least within the Banking, Commerce and Insurance Committee, something I believe individual senators have worked on--Senator Nordquist as an example; Senator Howard as an example. So let's not forget, at the end of the day and regardless of the vote on LB577, that we are putting into play something that will provide an opportunity for more Nebraskans to have some level of healthcare coverage. We will be further ahead by the time we finish the Affordable Care Act's implementation than we are right now, regardless of your feelings about Medicaid expansion. And I also want to point out, since several comments have been made about planning for the future, LR22 that's been jointly introduced by Senator Campbell on behalf of the Banking, Commerce and Insurance Committee...or, excuse me, on behalf of the Health and Human Services Committee and myself on behalf of the Banking, Commerce and Insurance Committee, which purports to do just exactly what people have been suggesting. Let's sit down, take a look at the future, talk about how Nebraska is or isn't prepared for some of the changes, whether it's having enough people in important positions in health, physicians and nurses, whether it's facilities. Whatever the case may be, wherever we want to be 10 to 20 years from now in healthcare in Nebraska, we should be talking about that now. We should have been talking about it five years ago and putting into play plans that would have made making

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a decision on LB577 as easy as falling off a rock. We don't have that in play. Four years ago, Senator Harms brought to us a planning process for the Legislature which has healthcare as a component of it, but healthcare is not specifically focused on the way we plan to do under LR22. [LB577 LR22]

SENATOR COASH: One minute. [LB577]

SENATOR GLOOR: Thank you, Mr. President. I had two bills this year, both of which--well, one is IPPed; the other languishes in committee--were introduced as soapbox issues. One would say you can't discriminate, as a provider, against Medicaid patients. If somebody wants to come to you, you need to take care of them. Now it wasn't as straightforward and simple as that, but it was to talk about the fact we have some challenges in getting Medicaid patients seen. And the other, LB347, was to put a moratorium on any new hospital, ambulatory surgery center, imaging center construction. That also to draw attention to a problem we have, which I think is the business component of healthcare, and I'll have an opportunity to talk about that tomorrow morning. Thank you, Mr. Chairman. Thank you, members. [LB577 LB347]

SENATOR COASH: Thank you, Senator Gloor. Senator Smith, you are recognized. [LB577]

SENATOR SMITH: Thank you, Mr. President. And, colleagues, I support the motion to reconsider. I agree with Senator McCoy that there are many questions to be asked yet today and tomorrow, answers to be given, and voices to be heard on this issue. I appreciate the discussion, the debate, and the constructive dialogue we've had. I've learned a great deal myself from listening to Senator Gloor. And while I'm on the mike I do want to mention Senator Mello has asked me to state my sources on some comments I made when I was on the mike earlier. Earlier I had said that I was concerned with the unnecessary and unintended expenses of the expansion, which would easily cost Nebraskans more than \$50 million a year by 2022, when the expansion is fully implemented and the temporary FMAP is minimized. And the report that I was referencing was the Kaiser Family Foundation and Urban Institute report that was entitled, "The Cost and Coverage Implications of the ACA Medicaid Expansion: National and State-by-State Analysis." And that was dated November of 2012, and that is my source for that information. And I hope that satisfies Senator Mello's question on that topic. Thank you, Mr. President. [LB577]

SENATOR COASH: Thank you, Senator Smith. Senator Nordquist, you are recognized. [LB577]

SENATOR NORDQUIST: Thank you, Mr. President and members. And I appreciate Senator Smith making that clarification. I, too, have seen that Kaiser report, and they have had a, I think, a corresponding report, too, that talked about the cost savings in

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behavioral health that would be encountered due to Medicaid expansion in every state. So it...there's another report that also shows potential cost savings. But the fiscal note is really built on the Governor's Milliman midrange report and administrative costs that the administration brought forward. I wanted to follow up on the Arkansas discussion here real quick. I think one of the articles, and Senator McCoy, may have alluded to that this isn't Medicaid, wouldn't be Medicaid if we did the premium assistance. Those people are still considered to be Medicaid-eligible, Medicaid-enrolled. We'd just get a waiver from it. We use the dollars for a different purpose, hopefully, to meet the same needs. So it still is Medicaid. It's just...we just find a way to, certainly, to repurpose those dollars. And it would add complexity to our Medicaid system by creating multiple levels versus just expanding the services we provide now; and also the cost differential of the premium assistance versus straight Medicaid coverage, I think, shows that...I mean, it just shows that it wouldn't be as cost effective, multiple thousand dollars a year more to cover an individual. And if we truly are concerned about costs, I don't think that's the direction we want to go down, although I do appreciate, you know, his concern for covering these people. I think, you know, if he's interested in those type of ideas, I think he shows a concern for wanting to cover these people, and I think LB577--we can continue to talk about it--is the best method to do that. I think one point that's...that we haven't talked about yet...Senator Campbell, in her opening, talked about the history of Medicaid and who qualifies. But I think sometimes the Affordable Care Act is...has kind of muddied the waters so much that there isn't clarity on who is covered now, who would be covered, what would happen if we didn't do this. First of all, our current Medicaid program covers very distinct groups of people, first the elderly, the blind, the disabled, very low-income parents, \$6,000 to \$7,000 a year. Parents who have children on ADC can qualify, pregnant women, and the children up to 200 percent of poverty. But if you're a childless adult in Nebraska, whether you're a young person and have no children or an empty nester who lost their job during the economic recession, there is no Medicaid coverage for you regardless of how much you make. You are left to your own devices to go out and find coverage for yourself. So the Affordable Care Act built two pieces in to cover individuals: first, insurance subsidies, starting at the high end, at 400 percent of poverty, down to, ultimately, 100 percent of poverty. If we don't pass Medicaid expansion, though, there will be somewhere around probably 25,000 to 30,000 individuals, mainly childless adults but some parents also, who fall between 100 percent...between 0, nothing, and 100 percent of poverty, about \$15,000 a year, who will have no access to anything, no subsidy to buy in the exchange, even though people making more than them get a subsidy to buy the exchange, no state program at all. So I asked, well, what if we want to take a true part-private-sector approach? Federal subsidies come down to 100 percent of poverty and we want to say, well, let's just do a little state subsidy. If we wanted to extend the equivalent of that federal subsidy for those low-income people, what would that cost the state? [LB577]

SENATOR COASH: One minute. [LB577]

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SENATOR NORDQUIST: Two hundred and fifty to \$300 million, according to a UNMC analysis that I got on that. And again, I can...I'd want to prevent paper going around. I can certainly e-mail it out. But if we wanted to just extend private coverage to these low-income individuals, they would have copays and everything that they would have to meet also, but it would cost the state about...almost ten times as much state tax dollars to give these people...to help these low-income individuals get coverage through private insurance versus the deal under LB577, where the federal government contributes its 100 percent or 90 percent, the state contributes its share. This is a good deal for our state. It's a good deal for our low-income working families, it's a good deal for the uninsured that go to the emergency room right now, and it's a good deal for the privately insured who pay the cost of that uninsured care. That's what we're talking about here,... [LB577]

SENATOR KRIST PRESIDING

SENATOR KRIST: Time, Senator. [LB577]

SENATOR NORDQUIST: ...trying to find coverage for...thank you. [LB577]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Dubas, you are recognized. [LB577]

SENATOR DUBAS: Thank you, Mr. President. I'd yield my time to Senator Chambers. [LB577]

SENATOR KRIST: Senator Chambers, you are yielded 4 minutes 55 seconds. [LB577]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, what this proves is that sometimes good things happen to good people when a good person is willing to assist that in happening. Members of the Legislature, there has been a long discussion, and I don't know that anybody is really listening now because it's been a long day and it's hard to continue to concentrate. But everything that we say still is being recorded. It will be transcribed and a part of the record. I want to touch again on some of these things that I would mention. And tomorrow I will go into some specific things that will show how hypocritical the Governor is when he is insisting on a couple of million dollars for a new airplane for his convenience but doesn't want the money available to meet the health needs of the people of this state. He thinks it's more important that the people have access to the Governor than the Governor thinks it is to have access to medical care for the people who need it and whom this bill would help. But at any rate, I listened to the comments made about whether or not this program is sustainable. Only when you're talking about helping the poor does this come up. It was pointed out, all that money that is earmarked for road building. You know why that is? Because the construction industry wants it. The one who pushed it was going to run for

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Congress. You all don't want to look at the political ramifications. And that over \$1 billion is not available right now, and you know it and I know it. So whenever it comes to helping people, then all of a sudden you're so concerned about everything. So I said I was going to talk about morality. I'm a man of means by no means, I always say. I, on occasion, not many, have gone down to the Open Door Mission, where they serve food to people on holidays. And I looked at the people there, and they may not have a place to go to eat the following day. So you know the thought that could occur to a person? Why should we feed these people today when they're just going to be hungry again tomorrow? Is that what the philosophy is? Because you cannot ensure that a hungry person is going to continue to be fed by you, then you would deny a person the crust of bread that you have to offer? That's not what that Jesus said that you all invoke every morning. And I tell you it's hypocritical and claptrap because it means nothing. Then when you have an opportunity to emulate your master...and I notice that a whole lot of senators are praying now. I don't know if the preachers don't want to come here, but it just puts the spotlight on you. "Why call ye me, Lord, Lord, and you don't do the things that I say?" There are people you can help, and you refuse to help. The government is going to pay 100 percent for three years. Maybe the world will end before the three years. What we're looking at is what is before us now that can be done. Rural people will say, don't look a gift horse in the mouth. How many of you would say, since the ethanol subsidy is not sustainable, because the government is talking about removing it right now, any consideration given by the state ought not to be given? Because that is your ox that will be gored. Rural people are good people, I presume, but I wouldn't get that impression if I judged them by those who are here speaking for them, representing them. They must not read the articles that I read about how depressed the economy of the rural sector is. And I'm not talking about... [LB577]

SENATOR KRIST: One minute. [LB577]

SENATOR CHAMBERS: ...where those land prices are skyrocketing for various reasons. That doesn't benefit the rank-and-file, garden-variety person in the rural areas. They are crying for medical help. But you all have hitched your wagon to a Governor who is laying plans right now to run for the U.S. Senate, so the people are thrown aside. I listened to his spokesperson, Senator McCoy. He wouldn't deny that he's the Governor's spokesperson. He always is. But he's not running for Governor. And I'm going to say it in front of him because he wasn't here when I said it the other time. He told me, when I told him, that's a good speech for a Governor, he said, I'm not running for Governor. Senator McCoy stood right here by me and said, but I'm not running for Governor, so I will take him at his word. He's not a candidate for Governor. But if he decides that he is, then I'll have something to say about what he told me. [LB577]

SENATOR KRIST: Time. [LB577]

SENATOR CHAMBERS: (Microphone malfunction.) [LB577]

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SENATOR KRIST: Thank you, Senator Chambers and Senator Dubas. Senator Bloomfield, you are recognized. [LB577]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, I stand also in favor of the reconsideration...or opposed to the reconsideration motion...no, in favor of the reconsideration motion. It is getting a little later in the day, isn't it? I'm not sure yet what I'm going to do on AM1028. But just so there is no question in anybody's mind, I will be opposed to LB577. One thing I don't believe we can say about LB577 is that it's not an expansion of government. It is. And 99.8 percent of the time I'm going to oppose the expansion of government, and this is one of those times. And with that, I would yield the rest of my time to Senator McCoy if he'd like to have it. [LB577]

SENATOR KRIST: Senator McCoy, you're yielded four minutes. [LB577]

SENATOR McCOY: Thank you, Mr. President, members, and thank you, Senator Bloomfield. I'm going to read a quote from 2009. I want to say this publicly. As we move forward on healthcare reform, it is not sufficient for us to simply add more people to Medicare or Medicaid, to increase the rolls, to increase coverage, in the absence of cost controls and reform. And let me repeat this principle: If we don't get control of our cost, then it is going to be very difficult for us to expand coverage. Another way of putting it is, we can't simply put more people into a broken system that doesn't work. Members, President Barack Obama stated that in 2009. I think we've got to look very carefully at what we're doing here, very, very carefully and thoughtfully. Senator Nordquist said a little bit earlier that Arkansas has different demographics than Nebraska, maybe we shouldn't follow their lead. Exactly my point. The rare times I've had on the microphone this afternoon, I have said, Nebraska is very different from any other state. And to be clear...and I know...I don't think he intentionally mischaracterized what I said. I did not, contrary to what Senator Nordquist stated, did not say that what Arkansas is doing isn't an expansion of Medicaid. He is correct. It is a repurposing of those federal dollars. What I said is it's a novel and unique way to approach this very difficult subject and one that I don't believe that we've explored here. It may not work for Nebraska. We don't know until we see. There is more than one way to go about this. You heard Senator Gloor a little bit earlier talk about LR22, that resolution that's from the Health and Human Services Committee but would propose joint public hearings in the interim with the Banking, Commerce and Insurance Committee. And I think it's appropriate to read from the introducer's statement of intent. All of you can find it, but I think it's particularly appropriate at this particular moment in this discussion, because, members, sometimes we have to be willing to take a step back and say, you know what, we don't have a premium on all the good ideas, maybe there's others. I think I can say that with some amount of credibility because I did it earlier this session with tax reform. Members, you may not know--some of you do--I made the motion to... [LB577 LR22]

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SENATOR KRIST: One minute. [LB577]

SENATOR McCOY: ...thank you, Mr. President...to IPP my own bills in the Revenue Committee. Why did I do that? It's pretty rarely done. Because there's other ways to do things sometimes; there's other ways to do this. We have an LR22 study that could be done in the interim to look into this very issue, to see if what Arkansas is doing is something that can work here. Maybe it is, maybe it isn't. We'll never know unless we look. Let's not rush to judgment. Let's do what's right for our state. Thank you, Mr. President. [LB577 LR22]

SENATOR KRIST: Thank you, Senator McCoy and Senator Bloomfield. Mr. Clerk. [LB577]

CLERK: Mr. President, a new resolution, LR151, by Senator Nordquist; that will be laid over at this time; and an amendment to be printed, by Senator Mello, to LB99. (Legislative Journal pages 1002-1003.) [LR151 LB99]

Priority motion, Mr. President. Senator Price would move to adjourn the body until Wednesday morning, April 17, at 9:00 a.m.

SENATOR KRIST: You have heard the motion. All those in favor say aye. Opposed, nay. We are adjourned until tomorrow at 9:00.