

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Floor Debate
March 18, 2014

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PRESIDENT HEIDEMANN PRESIDING

PRESIDENT HEIDEMANN: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-fourth day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Reverend Roxie Sullivan from the First United Presbyterian Church in Falls City, Nebraska, which is in Senator Watermeier's district. Please rise.

PASTOR SULLIVAN: (Prayer offered.)

PRESIDENT HEIDEMANN: Thank you, Reverend Sullivan. I call to order the forty-fourth day of the One Hundred Third Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

PRESIDENT HEIDEMANN: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections.

PRESIDENT HEIDEMANN: Thank you. Are there any messages, reports, or announcements?

CLERK: Your Committee on Enrollment and Review reports LB905, LB906, LB130, LB949, LB987, LB863, LB1012, LB1103, LB560A, LB867A, LB974A, LB251, LB751, LB751A, LB660, LB836, LB1114, LB1114A, LB967, and LB1087, all to Select File, some of which have Enrollment and Review amendments attached. I have amendments to be printed: Senator Lathrop to LB560, Senator Coash to LB853. I also have gubernatorial appointments, a series of appointments from the Governor, Mr. President. Those will be referred to Reference for referral to a standing committee. That's all that I have. (Legislative Journal pages 905-921.) [LB905 LB906 LB130 LB949 LB987 LB863 LB1012 LB1103 LB560A LB867A LB974A LB251 LB751 LB751A LB660 LB836 LB1114 LB1114A LB967 LB1087 LB560 LB853]

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PRESIDENT HEIDEMANN: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR472, LR473, LR474, LR475, LR476, LR477, LR478, LR479, LR480, and LR481. Mr. Clerk. [LR472 LR473 LR474 LR475 LR476 LR477 LR478 LR479 LR480 LR481]

CLERK: Mr. President, on Select File, Senator Murante, LB132. I have Enrollment and Review amendments, Senator. (ER152, Legislative Journal page 760.) [LB132]

PRESIDENT HEIDEMANN: Senator Murante. [LB132]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB132]

PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB132. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB132]

CLERK: I have nothing further on the bill, Senator. [LB132]

PRESIDENT HEIDEMANN: Senator Murante. [LB132]

SENATOR MURANTE: Mr. President, I move to advance LB132 to E&R for engrossing. [LB132]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. LB132 is advanced. Mr. Clerk. [LB132]

CLERK: LB728. Senator, I do have Enrollment and Review amendments. (ER153, Legislative Journal page 764.) [LB728]

PRESIDENT HEIDEMANN: Senator Murante. [LB728]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB728]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB728]

CLERK: I have nothing further on LB728, Senator. [LB728]

PRESIDENT HEIDEMANN: Senator Murante. [LB728]

SENATOR MURANTE: Mr. President, I move to advance LB728 to E&R for engrossing. [LB728]

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PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. LB728 is advanced. Mr. Clerk. [LB728]

CLERK: LB884. Senator, I do have E&R amendments. (ER151, Legislative Journal page 785.) [LB884]

PRESIDENT HEIDEMANN: Senator Murante. [LB884]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB884]

PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB884. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB884]

CLERK: I have nothing further on LB884, Senator. [LB884]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB884]

SENATOR MURANTE: Mr. President, I move to advance LB884 to E&R for engrossing. [LB884]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. LB884 is advanced. Mr. President (sic--Clerk). [LB884]

CLERK: LB1014. Senator, I have no amendments to the bill. [LB1014]

PRESIDENT HEIDEMANN: The motion is the advancement of LB1014. All those in favor say aye. All opposed say nay. LB1014 is advanced. [LB1014]

CLERK: Senator, with respect to LB986, I have Enrollment and Review amendments pending. (ER157, Legislative Journal page 846.) [LB986]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB986]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB986]

PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB986. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB986]

CLERK: I have nothing further pending on LB986, Senator. [LB986]

PRESIDENT HEIDEMANN: Senator Murante. [LB986]

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SENATOR MURANTE: Mr. President, I move to advance LB986 to E&R for engrossing. [LB986]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All those opposed say nay. LB986 is advanced. [LB986]

CLERK: LB974. Senator, I have Enrollment and Review amendments. (ER166, Legislative Journal page 849.) [LB974]

PRESIDENT HEIDEMANN: Senator Murante. [LB974]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB974]

PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB974. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB974]

CLERK: I have nothing further on the bill, Senator. [LB974]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB974]

SENATOR MURANTE: Mr. President, I move to advance LB974 to E&R for engrossing. [LB974]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. LB974 is advanced. [LB974]

CLERK: LB974A. Senator, I have no amendments to the bill. [LB974A]

PRESIDENT HEIDEMANN: The motion is the advancement of LB974A. All those in favor say aye. All opposed say nay. LB974A is advanced. [LB974A]

CLERK: LB854. Senator, I have no amendments to the bill. [LB854]

PRESIDENT HEIDEMANN: The motion is the advancement of LB854. All those in favor say aye. All opposed say nay. LB854 is advanced. [LB854]

CLERK: LB941. Senator, I have E&R amendments pending, first of all. (ER164, Legislative Journal page 855.) [LB941]

PRESIDENT HEIDEMANN: Senator Murante. [LB941]

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SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB941]

PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB941. All those in favor say aye. All opposed say nay. The amendments are adopted. [LB941]

CLERK: I have nothing further to the bill, Senator. [LB941]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB941]

SENATOR MURANTE: Mr. President, I move to advance LB941 to E&R for engrossing. [LB941]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All opposed say nay. LB941 is advanced. [LB941]

CLERK: Senator, LB941A, I have no amendments to the bill. [LB941A]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB941A]

SENATOR MURANTE: Mr. President, I move to advance LB941A to E&R for engrossing. [LB941A]

PRESIDENT HEIDEMANN: You've heard the motion. All those in favor say aye. All those opposed say nay. LB941A is advanced. [LB941A]

CLERK: LB692, Senator, I have no amendments to the bill. [LB692]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB692]

SENATOR MURANTE: Mr. President, I move to advance LB692 to E&R for engrossing. [LB692]

PRESIDENT HEIDEMANN: You have heard the motion. All those in favor say aye. All those opposed say nay. LB692 is advanced. [LB692]

CLERK: LB464. Senator, first of all, I have Enrollment and Review amendments pending. (ER33, Legislative Journal page 817, First Session, 2013.) [LB464]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB464]

SENATOR MURANTE: Mr. President, I move to adopt the E&R amendments. [LB464]

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PRESIDENT HEIDEMANN: The question is the adoption of the E&R amendments to LB464. All those in favor say aye. All those opposed say nay. The amendments are adopted. [LB464]

CLERK: Mr. President. Senator Krist, I have AM1674 with a note you wish to withdraw that amendment, Senator. [LB464]

PRESIDENT HEIDEMANN: It is withdrawn. [LB464]

CLERK: Mr. President. Senator Ashford, but Senator, likewise, I have a note you wish to withdraw AM1734. [LB464]

SENATOR ASHFORD: That's correct. [LB464]

PRESIDENT HEIDEMANN: It is withdrawn. [LB464]

CLERK: Mr. President, Senator Krist would move to amend with AM2163. (Legislative Journal page 717.) [LB464]

PRESIDENT HEIDEMANN: Senator Krist to open on your amendment. [LB464]

SENATOR KRIST: Thank you, Mr. President. Good morning, members of the Legislature, and good morning, Nebraska. Today I bring AM2163 for your consideration. The pages have distributed the statement of intent, which is a little unusual for an amendment. But we had separate hearings this year with relationship to this content as it is amended to LB464, so I thought it appropriate in a standard way to give you a statement of intent. It's not on the machine. It is only a handout. I ask you to refer to it. There are two distinct relevant areas of this amendment: first, the compromise on the original LB464; and second, the cleanup legislation that resulted from LB561 from last year, which the Legislature approved and the Governor signed into law. The reason for the amendment, and let's discuss the LB464 portions of the amendment first. As you may remember, LB464 was originally introduced last session by the Judiciary Chair, Senator Brad Ashford, and ended the session last year on Select File, which we are on now. This year, Senator Ashford has decided to prioritize LB464, and I thank him for this priority designation and the opportunity to clean up on LB561 and also LB464 items. LB464, as originally introduced, would have started nearly all youth under the age of 18 in juvenile court. As you can imagine, there were many concerns expressed at the hearing last year and this year. As a result, we have spent a considerable amount of time addressing those concerns to the extent possible while preserving the spirit of the bill. Most of the concerns were centered in two themes: costs--costs to the county, to the HHS, to Probation; and giving youth a golden ticket to the juvenile court system. The latter I find almost humorous. I want to thank the legal counsel for the Judiciary, Ms. Jenn Piatt, for her work over the last six to eight months with me, working out these

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issues; and I want to thank many people as the day goes on, but particularly NACO and the county attorneys. We tried to find a way to get most of the juveniles into juvenile court, where they belong, while balancing these concerns and weighing the potential fiscal implications to the state as a result of the portions of the amendment regarding the adjudication of juveniles are delayed until January 1, 2015, in order to give both the department, Probation, and the counties a better opportunity to let the changes to LB561 unfold. With the assistance of the defense counsel, prosecutors, and the advocacy organizations, we've come to a solid compromise. The compromise can be loosely summarized as follows: For those youth charged with the most serious violent offenses, nothing changes. The prosecutor has the choice whether to file in adult or juvenile court. I'd like to repeat that again: For those youth charged with the most serious violent offenses, nothing changes. For lower-level felonies, offenses, and misdemeanors, the youth will start in the juvenile court and the juvenile judge will be one who determines whether the court...it stays with the youth or goes to adult court. Traffic offenses stay the same as in current law. I wanted to lay some foundations on the importance of this amendment with respect to treating kids like kids. I think that's pretty important. Here are some things that we know and we can quantify with statistics and metrics, and I'd be happy to answer questions regarding these items as we go forward. We know that youth convicted in adult courts have a higher rate of recidivism and that is true even of those youth who receive probation in the adult court system. We know that felony convictions result in a loss of rights and privileges, further reducing opportunities for employment and community reintegration for youth. We know that youth in adult prisons report that much higher time is spent learning criminal behavior and trying to improve how tough they really are. We know that more than 30 percent of our youth in our adult prison report that they have been assaulted and/or witnessed an assault. We know that according to the DOJ, 43 percent of youth incarcerated in adult prisons were for offenses they committed at age 15 or older, and that 43 percent have never been committed to a juvenile justice program. We know, in Nebraska, if you're a young man, you are more likely to be tried in the adult court system. And finally, and probably my most important bullet in this particular section, we know that there were 11,993 juveniles in Nebraska arrested in 2012. Only 1.78 percent--1.78 percent--or 214, were for violent offenses. The time is now to start treating kids like kids. I've picked up a phrase from my time in the JDAI and spending time with Annie E. Casey as well as the MacArthur Foundation. The phrase is simple: You have a choice, spend money in the playpen or spend a lot more money in the state pen. The second major piece of this amendment includes a cleanup legislation resulting from the major changes to the juvenile justice system brought about LB561. As with any large system changes, there are always some issues that became apparent as the law was implemented. Most of these are cleanup provisions in an attempt to clarify who pays for what and are less substantive for the rights of children and families in our state. I'd like to note that we set out this summer by consolidating comments from as many stakeholders as possible in order to draft these cleanup portions of the bill. This part of the bill will not affect...will not be perfect and it will continue to be amended as we move forward. Lastly, I would

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like to address the fiscal note on LB464. We know that there are costs associated with providing proper and meaningful services to juveniles. The Legislature made a commitment to our state's youth last session in an effort to reorient the juvenile justice system and to provide youth and families with the appropriate services and rehabilitation. This amendment and the amendment introduced by Senator Ashford are a follow-up of the great work and undertaking that we had last year. Our state cannot be afraid to invest in Nebraska's youth. I'd like to say, off my script, a personal note. Our legislative fiscal process is a good one, but there are some problems, and let me highlight one of them. We went back to Douglas County, my county, and said, how much money do you think this particular portion will cost you? And they gave us a fiscal note. We could not ask them how much money we were going to save them with the actions that we would take in the truancy bill that will follow, AM2164. So the fiscal note should not scare you right now. It needs to be tweaked and we need to take a good look at it. But to say that we should not do something for our youth because of a fiscal note that exists is criminal on our part because these changes need to be made. We need to treat kids like kids. I look forward to the debate and would welcome any questions. Thank you, Mr. President. [LB464 LB561]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. Mr. Clerk. [LB464]

CLERK: Mr. President, Senator Krist would move to amend his amendment with AM2419. (Legislative Journal pages 923-924.) [LB464]

PRESIDENT HEIDEMANN: Senator Krist to open on your amendment to the amendment. [LB464]

SENATOR KRIST: I'll be very brief. There's a couple of bullets that need to be put on the record. The amendment addresses the concerns expressed by the Department of Health and Human Services regarding the Title IV-E language. I'm sure you all received a thirteenth-hour note from the Department of Health and Human Services on issues that they bring forward, some of them unfounded, some of them founded. This was one that we needed to change, and we were in collaboration with the department as late as a few days ago but as early as two weeks ago when they brought this to our attention. The amendment was approved by DHHS on March 14 at roughly 3:00 by their legislative liaison. It's my understanding that on March 17, DHHS sent a memo to select members of the Legislature detailing their laundry list of concerns with the amendment. Given that they approved the Title IV-E language on March 14, and then subsequently listed IV-E language as a source of opposition on March 17, I'm going to have to presume that their opposition to the issue was merely a typo on the part of the drafters, as they both proposed and then approved the very amendment. Unless someone tells me otherwise, I'll presume that this is one of the many errors in DHHS's memo. The amendment simply adopts DHHS's language which was allegedly approved by their federal counterparts that clarifies that DHHS is a single agency who administers IV-E

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and the Office of Probation Administration is merely drawing down these dollars through DHHS. With a few minor language modifications, mostly everything else is the same, and I would respectfully request the Legislature adopt this amendment. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. Senator Mello, you are up in the queue and are recognized. [LB464]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. First off, I want to rise and thank Senator Krist and Senator Ashford and members of the Judiciary Committee for their hard work on trying to address a number of issues that you see in LB464 with the underlying amendments. I know the issue of making revisions to the truancy law was an issue that a number of senators heard about over the interim, as well as Senator Krist, Senator Ashford, Senator McGill, and Senator Campbell, last year, worked on LB561, where we knew when we passed LB561 that we were going to have to come back on a regular basis to make changes as we were starting to reform our juvenile justice system. I've spoken with Senator Krist, and the fiscal note is not really...it won't show up in your Chamber viewer until the adoptions of the amendment. But Senator Krist shared this information, as well myself and others, that the estimated fiscal note with the adoption of these amendments for the remainder of this biennium is \$10.2 million. The cost it has per year over the next biennium is estimated at \$13.3 million in fiscal year '16, and \$18.5 million in fiscal year '17. I've spoken with Senator Krist, I've spoken with the Speaker and with Senator Ashford. The reality is, is the \$10.2 million fiscal note that would be tied to LB464, likely we can't do this biennium. And the understanding is, with prison reform also being a competing fiscal priority, we're going to have to work on this bill a little bit further to ease ourself into, I would argue, the main component of the bill which is dealing with probation and having juveniles start in juvenile court instead of adult court, which is the larger fiscal component. There's another added component to this bill which increases the already existing county aid that the state is giving. We had that stairstep last year in LB561 over a four-year period so that it would be \$10 million the second year of the next biennium. And Senator Ashford, we worked on that compromise to make sure that we were able to get LB561 passed and to be able to do so over an extended period of time. And in speaking with Senator Krist, he understands, as will others, that there's important policy issues in this bill that we need to address, but we're ultimately going to have to put some more time and effort into this before it goes to a final vote to make sure it works within the bigger fiscal framework of already existing adult prison reform, what we currently have already appropriated. And unfortunately, the Appropriations Committee will be meeting today and will likely have to incorporate a deficit appropriation, an unexpected deficit appropriation, of at least \$7 million to the Supreme Court for probation in respects to LB561 from what we passed last year. So by all means, this is an important issue, and I appreciate Senator Krist's comments in regard to that we need to be mindful of what we are trying to do with these reforms that, one, the fiscal note shouldn't scare people off

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completely of not looking at the policy first. I agree we need to look at the policy first. The reality is that we're going to probably have to ease into this policy over the next few years, as we discussed last year, that we're not going to be able to solve all of the juvenile justice reform by this year, particularly in lights of trying to provide more county aid where I still am maybe in the minority position that we want to see how that county aid we appropriated last year and the increase they were appropriated this year, how that's going to be spent as we ramp that aid up to roughly \$10 million in fiscal year 2017. So I think there's a way for us to be able to work to see the reforms that Senator Krist, Ashford, the Judiciary Committee has worked on; but the likelihood is that it's going take some time for us to ease into those simply because we're pitting juvenile justice reform against adult prison reform... [LB464 LB561]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR MELLO: ...with fiscal notes of these sizes. And I think that we have to be cognizant that we want to try to address both issues this session, understanding both issues will be here in January 2015, in January 2016, and beyond. So with that, I appreciate the hard work everyone has done. Just as a point of clarification though, Senator Krist mentioned Douglas County specifically seeing savings in respects to the truancy component. Our fiscal notes, colleagues, only take into account state costs, state revenues and/or state savings. They always usually include some local government or political subdivision impact. But our fiscal note process, as is our green sheet, counters and only is based on the impact it has on the state's bottom line, not on political subdivisions' bottom line, which has been the process we have had in this Legislature for a number of years. So we know there will be savings at the local level. That doesn't show up on the green sheet. That won't show up on the fiscal note nor would it for other purposes as well, and I just wanted to make sure that I clarified that for the record, otherwise... [LB464]

PRESIDENT HEIDEMANN: Time. [LB464]

SENATOR MELLO: Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Those up and wishing to speak, we have Senator Hadley, Pirsch, Ashford, Campbell, Crawford, Krist, and Coash. Senator Hadley, you are up and recognized. [LB464]

SENATOR HADLEY: Mr. President and members of the body, I appreciate the work by Senator Krist on this because I think it's a very important issue and I do have YRTC in Kearney so I want to be sure that the things are done correctly dealing with that. Because, as you know, we've had some concerns out there over the years, and Senator Ashford and myself had a bill a few years ago to transfer it to Corrections, and that did not make it out of Judiciary. So I would just like to ask Senator Krist, is this changing the

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way youth who are sent there for treatment and after they're done with what the YRTC staff feels is the appropriate treatment that gets them from YRTC, from Kearney, and still in the system. So I would turn the rest of my...yield the rest of my time to Senator Krist to deal with the youth that are at YRTC and the fact that it is a treatment program. [LB464]

PRESIDENT HEIDEMANN: Senator Krist, 4 minutes. [LB464]

SENATOR KRIST: Thank you, Senator Hadley, thank you for the question. Colleagues, I don't often get up and read, but I think it's important because when someone gives you what looks like factual information, I think it's important that if you're going to respond to that purported to be factual information, you're very clear and very concise. To that question, DHHS has been making the same case since 2002. The Nebraska Supreme Court and the Legislature have spoken time and time again. "While OJS may make an initial determination with regard to the advisability of the discharge of a juvenile committed to OJS, the committing court, as a result of its statutorily imposed continuing jurisdiction, must approve the discharge of that juvenile." The court case I cite, Supreme Court case, is In re Tamantha S. As you know, where juveniles are concerned they only use the one name. It's not a versus. So it's I-n r-e T-a-m-a-n-t-h-a and then S. As far as the placement--this is not a sentencing, this is a placement of a youth--that doesn't change. What changes is how that child is referred to or how they are charged and in what court system they are charged, and then the referral that goes...it does not change. What we're clarifying is the discharge from placement in YRTC is distinct from discharge from the OJS care and custody. The court's order does not usurp OJS's authority to assess the advisability of a discharge of the juvenile committed to it. I hope that answers your question. And if you have an additional question, I'll give your time back. [LB464]

PRESIDENT HEIDEMANN: Senator Hadley. [LB464]

SENATOR HADLEY: Thank you. Senator Krist, thank you. I just want to be sure that we do the right things for these kids out there. We still do have a problem with the violence, I hear from the staff out there. And I just want to make sure that we're sending the appropriate youth out there and that they're treated out there, and then we have a system that evaluates them and then helps with their return to society. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Hadley and Senator Krist. (Visitors introduced.) Senator Pirsch, you are recognized. [LB464]

SENATOR PIRSCH: Thank you, Mr. President and members of the body. I would ask if Senator Krist may yield to some clarifying questions. [LB464]

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PRESIDENT HEIDEMANN: Senator Krist, will you yield? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR PIRSCH: Great. Thank you, Senator Krist. And so this...with this amendment that...when did this...when was this passed out of Judiciary Committee? [LB464]

SENATOR KRIST: LB464 had a hearing last year. It went through General File and then it went through Select File...to Select File; and there it sat. We came back this year with LB464 as a bill, and there was a day of hearings for AM2163...the two amendments that you hear today, there was a day of hearings in Judiciary. It was public hearings. [LB464]

SENATOR PIRSCH: Yeah. That was in February, was it, so? [LB464]

SENATOR KRIST: I can get you the exact date, but it was in February. That's correct. [LB464]

SENATOR PIRSCH: Yeah, that's when it was. Okay, appreciate it. So with respect to just the distinction to clarify in the minds of the legislators what the difference between juvenile court and criminal court. Fair to say, a juvenile court, unlike adult court, is not a criminal court, the goals of which are rehabilitative. It's civil. The consequences for being adjudicated in juvenile court, they do not show up on their permanent criminal record. They're not crimes for which you're being convicted, is that true? [LB464]

SENATOR KRIST: Well stated. [LB464]

SENATOR PIRSCH: Okay. And with...so with respect to...I do note on your statement here that I received on AM2163, it talks about misdemeanors and then Class IIIA and IV felonies. With respect to traffic infractions, what...how does this fit into it? Would traffic infractions also start out in juvenile court then, or are they going to... [LB464]

SENATOR KRIST: No, sir. They stay in adult court, traffic court. Traffic court. [LB464]

SENATOR PIRSCH: Okay. Okay. But misdemeanors like drunk driving, reckless driving, those would start out in the juvenile court according to this change? [LB464]

SENATOR KRIST: This change would allow the prosecutor to refer to juvenile court in special cases, but everything would start in traffic court. [LB464]

SENATOR PIRSCH: Oh, in the adult court. [LB464]

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SENATOR KRIST: Yes. [LB464]

SENATOR PIRSCH: Okay. Yeah, even misdemeanors? [LB464]

SENATOR KRIST: All. Yes, all. Then it would be a referral back to juvenile at the prosecutor's discretion. [LB464]

SENATOR PIRSCH: I see. Are there any...is there anything in here that would start out then automatically now in juvenile court in a way that right now it's occurring in the adult criminal courts? [LB464]

SENATOR KRIST: Well, it specifically says that I's, II's, and III's, it's the prosecutor's discretion. IIIA's and IV's would have to start out in the juvenile system, but there is no restriction from the judge or prosecutor from referring them into the adult court system. [LB464]

SENATOR PIRSCH: Well, and ultimately that would be a decision that a judge would make if, in fact, a prosecutor would make such a motion to change the venue from a juvenile court to an adult criminal court. [LB464]

SENATOR KRIST: Yes, sir. [LB464]

SENATOR PIRSCH: Okay. And so I apologize, I had thought that in addition to Class IIIA and IV felonies that misdemeanors were also going to be similarly situated, starting out in juvenile court, based upon how this amendment would change things. But that's not true. [LB464]

SENATOR KRIST: But... [LB464]

SENATOR PIRSCH: Okay, I understand... [LB464]

SENATOR KRIST: Within the amendment the misdemeanors would start in juvenile court. That's correct. [LB464]

SENATOR PIRSCH: Misdemeanors would also start in juvenile court. [LB464]

SENATOR KRIST: Right. [LB464]

SENATOR PIRSCH: Would that...so drunk driving, DUI, and reckless driving would be, since they are misdemeanors, those would also start...or if anything involves a motor vehicle, that automatically would exclude them... [LB464]

SENATOR KRIST: If you're driving a motor vehicle, you have a license... [LB464]

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PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR KRIST: ...it will be referred to the traffic court system, which is adult; and at the discretion, can be referred to the juvenile court system. [LB464]

SENATOR PIRSCH: Okay. That helps to clarify. Anything that involves a motor vehicle would be excluded from that. And so that's all the questions that I have at this time. Thank you. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Pirsch and Senator Krist. Senator Ashford, you are up. [LB464]

SENATOR ASHFORD: Good morning, Mr. Lieutenant Governor. Thank you. Let me...Senator Mello was very firm in his comments about the budget, and I certainly take his words seriously. Let me suggest something to all of you. In LB561, what we essentially did is we changed to a great degree the culture of how we deal with juvenile offenders. The theory from a budgetary standpoint is that as we move juveniles back into the community and provide services for those juveniles within their community, keep them out of a situation where they are detained in a jail-like, for lack of a better word, or corrections-like facility, the better results we're going to get. And I think when we passed LB561 last year, that's essentially what this body accepted and was a movement towards a system that many states across the country have adopted and a theory of how to deal with juveniles. When we passed LB44 last year, dealing with life in prison without parole for juveniles, we debated the issue of brain development. We debated the theories behind why juveniles within the criminal justice system should be treated differently than adults. And it was a monumentally important decision by this body, I think, last year, to move forward in that regard. What we are trying to do in LB464 is to continue down that path. Senator Mello is correct that the fiscal...to do what Senator Krist is proposing, which is monumental work. And, by the way, Senator Krist and my office, Jenn Piatt in my office, have worked pretty much full time on LB464 amendments, and have done a great job in moving forward. I also want to suggest to you that what I have seen in a very positive way is the involvement by the county attorneys and the court system across the state in working together to try to carve out and create a system of juvenile justice that will, in the end, save us money. Now it will save lives. The human cost of involvement in the system will be quite a bit less over time, but and the fiscal cost will be less. And I do agree with Senator Mello that this matter, the \$14 million, or whatever the fiscal note may turn out to be after these amendments pass, is too much money. I fully understand that, get it. It's going to be the job of this Legislature, the next Legislature, the next Governor over the next four years, to work diligently to make sure that juvenile justice reform, as adult prison reform, works. I don't think we should offset one against the other, and I think we're going...they both have to work in parallel. But obviously, the money has to be there. The money has

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to be there. But let me suggest, members, that passing LB464, transitioning LB464 in, passing prison reform, over the next four years you are going to see dollars flow back to the Department of Corrections. You are going to see dollars flow back into the system because we are not going to be incarcerating as many adults. We're not going to be incarcerating as many juveniles. We're going to be keeping these people in their communities. We're going to see a reduction in recidivism. This body has made a monumental move, in my view--a monumental move into the future for juveniles. And I...when I talk to people in my city, in my area, and they say, well, great job on juvenile justice; I'll tell you, it was not me. It was all the people out there in that... [LB464 LB561 LB44]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR ASHFORD: ...in that lobby who have worked with us diligently from Voices for Children, the county attorneys, to everybody; and then in this body, every single member working hard to fit this kind of reform into a budget that will work going forward. I just cannot tell you how proud I am of this place and for the work they did in LB561. Let's move LB464 forward, let's phase it in over a period of three or four years, five years, whatever it is, and let's move forward so that we can reinvest those dollars back to our children and our future. Thank you, Mr. President. [LB464 LB561]

PRESIDENT HEIDEMANN: Thank you, Senator Ashford. (Doctor of the day introduced.) Senator Campbell, you're up next and recognized. [LB464]

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, I would like to say that I think it's an extremely important amendment on AM2419 that Senator Krist has brought. Clarifying the language on Title IV-E is extremely important in order for us to bring down and utilize those federal dollars for the young people who will be in the probation side of the program. Title IV-E dollars have been an undergirding of our foster care system, and as we move away from placing children outside of the home, we need to make sure that we can still utilize those dollars. But I do have a couple of questions for Senator Krist if he would yield. [LB464]

PRESIDENT HEIDEMANN: Senator Krist, will you yield? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR CAMPBELL: Senator Krist, in the memo that you referred to earlier, one of the concerns was a change in Section 23 that might alter or affect public safety and a concern, and I thought that you would want to address that on the floor. [LB464]

SENATOR KRIST: Thank you, Senator Campbell. And I do. First of all, the public safety comment, I believe, is unfounded. It's akin to it's something is unconstitutional or it costs

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too much money, and we will kill it. Dealing with the facts, the state of Rhode Island and the state of New Jersey have expanded the age to which juvenile justice can perform or a child can stay in juvenile justice to the age of 21. They have done it in a way, as we propose in this amendment, to say if the juvenile, the individual who is now over the age over 18, and the judge decide that it's better to stay in the juvenile court system, that they should stay there. And the reason for that is that there are many more services that are available within the juvenile system than there are in the adult court system. So to say that this increases danger to the public, I think, is a red herring. I would also say that--and I'll take just a few minutes on your time to point this out--in Senator Ashford's discussion on the fiscal note and Senator Mello's discussion on the fiscal note, it's interesting to note that probation thinks that there will be such a few number of these people that they didn't even look at it in terms of fiscal impact. Yet, the department comes back, as they always do, and says, what's the worst case scenario; all of these kids are going to continue to 21. Statistically, if you go back and look at the other states who have implemented this, less than 2 percent annually are continuing in the system. So when we talk about a \$10 million fiscal note, and 95 percent of the fiscal note presented to us by the Department of Health and Human Services includes this projection that all these kids are going to stay in the juvenile justice system to the age of 21? It's ludicrous, in my opinion. But on the record? Ludicrous. So that's how we deal with some of these things. To that point, thank you for the question, Senator Campbell. To the point of public safety, I can't imagine...and to clarify, if you start in the criminal...in the juvenile justice system--that is your offense is at 15, 16, 17--you can continue. It doesn't mean a person between 18 and 21 can jump in the juvenile justice system at a whim. That's not possible. And again, it has to be at the concurrence of the individual and the judge. Thank you for the question. [LB464]

SENATOR CAMPBELL: Thank you, Senator Krist. Colleagues, it is very important that we continue looking at the issue of aging out of juveniles, and I think Senator Krist has addressed that. Some of the juveniles do need additional time in the system, and this would afford them to do so. I thank Senator Krist for... [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR CAMPBELL: Thank you, Mr. President...I thank Senator Krist for addressing that question, and I hope we have some more continued discussion on this very important amendment. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Campbell. Senator Crawford. [LB464]

SENATOR CRAWFORD: Thank you, Mr. President. I want to stand, first, and really thank the Judiciary Committee for all of their work on working with all of our county officials on trying to make sure we have a reform that works well at all levels, and being very attentive to the concerns of our county officials. And I want to say, in particular, I'm

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so thankful to Senator Krist and Jenn and other staff and members of the Judiciary Committee for all the time they have spent talking to our Sarpy County officials. And I'm very proud also of the Sarpy County officials for the work they've done in improving probation and their attentiveness to having these discussions with our Judiciary Committee and with Senator Krist, so that we make sure that what we pass here does work well on the ground in Sarpy County, and I'm very pleased to see that those discussions have happened. I've also had multiple discussions off mike with Senator Krist about really what I see as the one remaining concern of officials in Sarpy County; and although we've discussed this off mike, I wanted to be sure to get it on the record. So I would ask if Senator Krist would yield to a question, please. [LB464]

PRESIDENT HEIDEMANN: Senator Krist? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR CRAWFORD: Thank you. Thank you, Senator Krist. As we've talked off mike, really the section that we're most concerned about is Section 20 that clarifies who pays for what, and in that section it does identify certain things that the county pays for and certain things that the state will pay for. But as I understand it, the concern of some of the county officials is that in another section of statute there is statute that defines the county as the payer of last resort. And so they are very concerned that that doesn't somehow leave them holding the bag for any of these costs that here in this statute we are identifying as clear costs that we are saying are to be paid by the state and not by the county. So I wondered if you would address...and so we've had some discussions about possibly amending that statute to strengthen or clarify that more, but ultimately decided not to push that amendment. I wondered if you would address for the record that intent. [LB464]

SENATOR KRIST: For the record...thank you, Senator Crawford. For the record, it is extremely important that we not open up that statute, that piece of law that deals with payer of last resort. It deals with many, many, many more things than we are dealing with here in the juvenile justice system. It is legislative intent that we adopt what is called a bright line format that is preadjudication, the responsibility lies with the county; postadjudication, the responsibility lies with the state, Probation, OJS, etcetera, with some minor exceptions that really aren't worth noting. And I think it's good policy that there are a few exceptions. So it is the intent of my piece of legislation and of this Legislature, just for the record, that at no time during the postadjudication would the state bail on its responsibility to make sure that postadjudication issues are handled by OJS or by Probation, and if so, we'll see the same thing that we saw this year: a deficit appropriations request would come back to our Appropriations and our body and we would have to stand firm. And let me just add, as long as you bring the question forth on behalf of your county. Colleagues, if you look at the handout I sent out, it's the 12 judicial districts and their ratings, and this is the metrics I talk about and the things that

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you need to look at in terms of making your decision. Your county does it better than anybody else in the state. It does it better than anybody else in the state. The juvenile justice system, they have their act together in Sarpy County across the board... [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR KRIST: ...from your public defenders to your county attorney, and the metrics say that that's the case. And so I believe, for the record, this is codifying what is the best example of how we treat our kids like kids in the state of Nebraska. [LB464]

SENATOR CRAWFORD: Thank you for that, Senator Krist. And I believe so too, and so I stand in support of AM2419 and the bill itself, LB464. Thank you. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Crawford. Senator Krist, you are up next. [LB464]

SENATOR KRIST: I had punched my light on because I wanted to make a few comments that I've already made: one, is the drawing your attention to the handout that shows your judicial districts, and there's also a handout that shows where those judicial districts are across the state, so you can find out how your county is doing and then look at those statistics and metrics to see where you are. The other thing I wanted to bring to your attention, and obviously I did that with Senator Crawford a bit, the other thing I wanted to bring to your attention is the difference in the fiscal note that we will achieve before we pass any piece of legislation, and that would be to weed out what a fiscal responsibility this would actually be. But I want to tell you that on my own time in my own parochial or prejudiced viewpoint, LB561 and this juvenile justice reform is only going to work...it's only going to work with reappropriating money that's not being spent effectively or efficiently, and bringing that money back into reinvestment in the program and creating a culture change in juvenile justice. To that point I want to point out to you some of the changes that LB561 and my pilot project a few years ago have brought about. The population at Kearney is at 105, down from 145. That's a big reduction in just a few years. Why are we doing that? Because LB561 and the juvenile justice reform that we have in place already is working. This is the next step. This makes it better. Geneva has 50, down from 80. This reform is working and this takes it to the next step. It costs a whole lot less money to take care of our kids or, as I've coined, "in the playpen," rather than spending money on the back side. Look at the notable court cases that are going on in Douglas County right now. Where did those people start their criminal activity? At 9, carrying a gun into a school. Seriously. Treat kids like kids, but realize that some kids are bad kids and they need to be dealt with in a different way. I'm not handing anybody a golden parachute or a golden ticket or a Willy Wonka. It's not happening. We need to realistically look at what those charges are and where that child is. This helps. But what we've done so far is a step in the right direction. What this takes us to, along with Senator Ashford's truancy amendment that will be coming up, is culture

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change. Thank you, Mr. President. [LB464 LB561]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. (Visitors introduced.) Senator Lautenbaugh, you are up next and recognized. [LB464]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I have been sort of following this, since last year even, and trying to decide what the right thing to do here is, and I do understand the concerns. I wasn't involved with the discussions with HHS and I don't know who came to who when and said what. But I do understand the concern about having the court be involved. Well, I guess...I wonder if Senator Krist would yield to a question. [LB464]

PRESIDENT HEIDEMANN: Senator Krist, will you yield? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR LAUTENBAUGH: Senator, we had some discussions a little bit ago about the process of, I guess, approving when children leave these youth treatment centers. [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR LAUTENBAUGH: And this does represent a change from how we currently do things. The amendment would make a change in how we currently... [LB464]

SENATOR KRIST: I don't see it as a change, Senator, but perhaps you want to point that out to me. [LB464]

SENATOR LAUTENBAUGH: Well, I guess what I'm getting at is, who currently makes the determination as far as discharge for, say, a youth who's in one of the YRTC's? [LB464]

SENATOR KRIST: I cited a Supreme Court case and I'll read it again for the record. DHHS had been making their same case since 2002. The Nebraska Supreme Court and the Legislature, in particular, the Supreme Court. "While OJS may make an initial determination with regard to the advisability of the discharge of a juvenile committed to OJS, the committing court, as a result of its statutorily imposed continuing jurisdiction, must approve the discharge of the juvenile." And that reference is I-n R-e T-a-m-a-n-t-h-a S. That's the court case. [LB464]

SENATOR LAUTENBAUGH: And I think, Senator Krist, that applies only to direct commitments. And I guess what I'm struggling with here is I think this does change who approves discharges in other circumstances, and I guess...and I'll give you the rest of

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my time in a moment here, Senator Krist, so you can respond. But as it's being explained to me and my understanding of it is, is that this does change who would approve discharges, I guess, from a treatment facility. And if we're going to have court approval of all these, will there be a delay in approving discharges from these treatment facilities? And if it's a treatment facility and it's a treatment decision, is the court the proper one to be approving that, or should it be the facility? And I will give the rest of my time to Senator Krist so he can address that because I'm kind of curious about it myself. [LB464]

PRESIDENT HEIDEMANN: Senator Krist, 1 minute 45 seconds. [LB464]

SENATOR KRIST: Okay, that's enough time. We already addressed this in LB561 last year. This is already law. We changed...the LB561 parameters are exactly as they are stated here, and I'd be happy to spend some time off mike with you. It's...there is a plan developed for the child for dismissal, discharge; and in that plan the facility itself and the court system have to agree the child will go back. And all that was defined last year in LB561. Senator, I can't yield my time, but I would ask Senator Ashford, to ask of him a question. [LB464 LB561]

PRESIDENT HEIDEMANN: Senator Ashford, would you yield? [LB464]

SENATOR ASHFORD: Yes. [LB464]

SENATOR KRIST: Would you agree with that? [LB464]

SENATOR ASHFORD: Yes. [LB464]

SENATOR KRIST: Okay. Thank you. [LB464]

PRESIDENT HEIDEMANN: Thank you. Senator Nelson, you're up next and recognized. [LB464]

SENATOR NELSON: Thank you, Mr. President and members of the body. Will Senator Krist yield to a question or two? [LB464]

PRESIDENT HEIDEMANN: Senator Krist, will you yield? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR NELSON: Senator Krist, you cited a case that was handed down in 2002, and I'm looking at one here, quite a bit more recent, 2010. It's In re Jorge, a child under 18. I'm going to read just very briefly. This was a consolidated appeal in Lancaster County in the case of Deng, where he was placed in the treatment center YRTC in

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Kearney. "In such case, the court order indicated that the juvenile court, rather than OJS, would determine whether to discharge the juvenile from YRTC. DHHS appeals that order concerning the juvenile court's statutory authority. We affirm the commitments to YRTC, but we vacate the orders to the extent they placed authority to discharge the juveniles from YRTC in the juvenile court rather than OJS." So that runs contrary...it's a more recent case to what you've cited. And then I've going to read from page 418 of the Advance Sheets. "Taking these provisions together, it is clear that although the juvenile court initially commits the juvenile to YRTC, once the juvenile is under OJS authority at YRTC, the decision to discharge is placed with OJS pursuant to the OJS Act and rules promulgated thereunder, and the OJS decision to discharge is a complete release from the juvenile court system with respect to the offense which occasioned the adjudication." Do you have any comment? Did you follow that? That doesn't substantiate what you're telling us has been the policy here of our Supreme Court. [LB464]

SENATOR KRIST: Sure. First of all, what I cited was not a 2002 case. It was more recent than that. I don't have the date. What I said was that this was the DHHS position since 2002 when they kept making this argument. But if you'll recall, Senator Nelson, all this was changed with LB561. So even the cases that you cite have been overcome by a change in statute. In LB561, we developed a plan for a child to go into the treatment facility, a collaborative effort with the court system and the treatment facility, and a discharge plan that is coordinated between the courts and the treatment facility. All of that was changed in LB561 last year. [LB464 LB561]

SENATOR NELSON: Well, all right. And so there was no change of that with AM2163? [LB464]

SENATOR KRIST: No, sir. [LB464]

SENATOR NELSON: So that's carried on since this time, and this... [LB464]

SENATOR KRIST: Yes, sir. [LB464]

SENATOR NELSON: ...does not affect that in any way. [LB464]

SENATOR KRIST: The only changes that LB561...the only LB561-related changes here are the bright line concept in terms of who pays and who the child...where the responsibility lies for the child during his time in the system. [LB464 LB561]

SENATOR NELSON: All right. Thank you, Senator Krist. That clarifies that. So, in summary, the bill...what was the number, LB561... [LB464 LB561]

SENATOR KRIST: Yes, sir. [LB464]

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SENATOR NELSON: ...does change this most recent case that I referred to. So that answers my question. Thank you very much, Senator Krist. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Nelson. Senator Ashford, you are up next and recognized. [LB464]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. How many lights are on? [LB464]

PRESIDENT HEIDEMANN: There's two after you. [LB464]

SENATOR ASHFORD: Two. Just two. Thank you. What has been said already, I think, is adequate. The problem we faced, and I'll be very, very...try to be very quick here. The problem we faced in 2012, as we started to look at the problems with the YRTC's, which as...those of you who were here then remember were very, very serious, the concern was that the court system had really lost control of these kids. And to some extent it was a money issue that once the courts decided or adjudicated a youth, the OJS would then take over the jurisdiction of these youth and they would go to the YRTC's and other places, but certainly the YRTC's, and those bills were paid by OJS. The problem that we saw was a lack of accountability...serious, serious, serious lack of accountability as to the progress of these youth. We also saw...or I saw and I think most of us as we discussed this last year and the year before saw was that the treatment regimen at the Kearney facility, and less so at Geneva, but at the Kearney facility it was not even remotely evidence-based; that certain things were being tried, not successfully; that youth, the population of the YRTC's exceeded any responsible standard; though there was mental health treatment, it was sporadic. And what would happen is...or what we found in the committee and what we discussed on the floor was that oftentimes a youth would return back to their communities for the reason...the most...the reason being that there was not enough capacity at the YRTC's, as it got to 150 or 160 juveniles, to adequately provide treatment. That's why we interceded. That's why this Legislature found that there was a crisis at the YRTC's. That's why, we, in the Children's Commission, we've done a study of the YRTC's, and we have recommended, and we're not going to get it done this year, but Senator Hadley was a tremendous advocate for finding a better way to, number one, to make sure that those who were employed at the YRTC's were safe, and that, number two, that the kind of treatment modalities that were necessary for youth were in place. And the Children's Commission has come back and said that we are...we need to develop regional treatment facilities across the state, Kearney being one, certainly Geneva being one; and then we need a couple more. That's clearly the case. But when you have a treatment facility with 160 or 170 people in it, young juveniles, you cannot adequately provide the treatment that these juveniles need. They were coming back and there was also a significant problem with mixing populations. To some extent that still exists, though that's been ameliorated, where you

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have kids with more violent tendencies mixing together with young people, young juveniles, with less violent tendencies. The other thing we found was in rural Nebraska that because there was a lack, and we discussed this over and over the last three or four years, there is a lack of adequate capacity within the communities, in rural Nebraska, to provide the kind of service and care that juveniles needs, that the YRTC's became the only option. So those youth were mixed together with kids that maybe had a more violent background from urban areas. And that just is terrible. That's terrible. Now the department...and I'm more than happy to sit down and talk to them some more, but the Department of Health and Human Services was responsible for that facility for a number of years. [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR ASHFORD: They were...they are trying to make changes, and I applaud them for doing that, but the courts having more responsibility over these juveniles, developing a plan, having that plan reviewed by the court, is not a bad thing. It is a good thing. It is an important change in LB561. I would urge this body to adopt this amendment. Let's move this across, and we'll talk about...obviously, we have to talk about the money. Senator Mello is the boss of the money, so we're going to--and his committee--so we're going to talk about that. But by the time we get to Final Reading and ready to vote on this, we can start to again move this issue forward. Thank you, Mr. Lieutenant Governor. [LB464 LB561]

PRESIDENT HEIDEMANN: Thank you, Senator Ashford. Senator Campbell, you are up next and recognized. [LB464]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. I wonder if Senator Krist would yield to a question. [LB464]

PRESIDENT HEIDEMANN: Senator Krist, will you yield? [LB464]

SENATOR KRIST: Yes. [LB464]

SENATOR CAMPBELL: Senator Krist, I think it would be good to put on the record, we have worked over the last couple of years with Senator McGill and her aging out of foster care, and built an excellent program for the youth of Nebraska. At any point does the language harmonize with what we're trying to do there, is the question? [LB464]

SENATOR KRIST: Absolutely. It allows the individual who started in the juvenile court system to continue in the juvenile court system and to continue the funding sources that we know are so important to continue that treatment. So it harmonizes it. It in no way detracts from the efforts or the success we've had in putting that piece of legislation forward. [LB464]

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SENATOR CAMPBELL: Thank you, Senator Krist, and thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Campbell. Is anyone else wishing to speak on AM2163? Seeing none, Senator Krist to close. [LB464]

SENATOR KRIST: This is an important piece. It's a IV-E language that is harmonized with the federal requirement, and I ask for your green vote. Thank you. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. The question is, shall the amendment to the amendment AM2419, which we're voting on AM2163 to AM2419, be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB464]

CLERK: 28 ayes, 0 nays on adoption of the amendment to the amendment. [LB464]

PRESIDENT HEIDEMANN: The amendment is adopted. Back to discussion on AM2163. Is anyone wishing to speak? Seeing none, Senator Krist to close. [LB464]

SENATOR KRIST: I would just ask for your green vote and realize that in the words of Senator Mello and Senator Ashford and my commitment, if there is a phase-in process that needs to make this more realistic in terms of the financial burden, I'll work to do anything I can. But we need to move...keep moving forward in the area of juvenile justice, and I ask you for your green vote. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. The question is, shall AM2163 to LB464 be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB464]

CLERK: 29 ayes, 0 nays, Mr. President, on the adoption of Senator Krist's amendment. [LB464]

PRESIDENT HEIDEMANN: The amendment is adopted. [LB464]

CLERK: Mr. President, additional amendments...announcement, if I may. Appropriations Committee will have an Executive Session at 11:30 in Room 2022. Senator Ashford would move to amend the bill with AM2164. (Legislative Journal page 709.) [LB464]

PRESIDENT HEIDEMANN: Senator Ashford to open on your amendment. [LB464]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. Mr. Lieutenant Governor, when you were in the body years ago, I can't remember how many years...I can't ask

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you a question, but if I could I would. But many years ago, when you were in this body, we tackled the issue of excessive absenteeism in our schools, and that we have...this issue has had quite a journey. And we are now at a place, I believe and hope, that where we can, I think, make a final decision on how we're going to deal with a problem that surfaced years ago when we determined, as a state, that there was a significant number of young people...there were a significant number of young students who were absent from school for excessive periods of time. At...and just to recall that to the body, one of the...at the beginning of that issue, four or five years ago, the concern or question was that excessive absenteeism, especially and most particularly in cases where the children were not excused from school, there was a great deal of angst from the schools and others in the juvenile justice system about what would happen if a child could not be found, was not in school, that this often would lead to or was the result of issues within the family that needed to have some help. So as a result, this body did act on that issue. We have since that time amended that statute and did so a few years ago to clearly, we thought, or I thought, to state that the schools would be the entity that would be primarily responsible to deal with the issues of absenteeism, and that the county attorneys would, in reviewing or being responsible for the state's compulsory education law, would get involved once the schools had an opportunity to work with the families. Still and yet, those changes did not, in my view, were not adequate to clearly define what our original intent was of a few years ago, now several years ago, which is to at least raise to the level of concern the issue of absenteeism within the school systems and to come up with a statewide effort to make sure that whenever possible that children have an opportunity to be equally educated and be in school. Now we are at a place where I believe, thanks to so many people that, as Senator Krist has done in thanking those who were involved in the juvenile justice issues in LB964, there are a tremendous number of individuals involved in coming up with the amendment, AM2164, certainly not the least of whom were the parents who have come to me over the years and expressed a concern about the children that had excused absences, that were good students, that were putting forth the effort that was needed to adequately perform in school. And we, as many of you listened to them and have listened to them, and their participation in this process is...has been truly, I think, quite frankly, gratifying to me and to, I'm sure, some of you who have talked to the parents who are concerned about the law as it was being implemented. So that's number one. Number two, we have had excessive conversations with county attorneys and school officials around the state. There are...what is positive, in my view, is that, at least in my county, in Douglas County, there have been created, or has been created, efforts on the nonprofit sector, like the GOALS program in Douglas County and Sarpy County where individuals who do have excessive absenteeism that is not excused and have issues at home, issues in their families, have been...have gotten tremendous help from this GOALS program. Also the county attorney in my county, Douglas County, and I know also in Sarpy, tried their best, in my view, to work with families, and I applaud them for their commitment to that. Let me go over the amendment. It...AM2164 essentially does two things. Again we are reorienting the emphasis of addressing absenteeism away from the county attorney and

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towards the school for the reasons that I've just suggested. And what I think is going to be a very powerful effort is that it transforms what was called the truancy task force into a more, what I believe to be, a....going to be a very collaborative effort at the Department of Education for...to...with the creation of the Council on School Attendance, which will include parents, school officials, and others. Specifically, Section 9 of the amendment deals with the substantive changes in 79-209 and requires the school to take specific steps and to document those steps prior to turning a case over to the county attorney. It requires that the schools engage in meaningful communication with the children's family...child's family. It requires meetings between the school and the family. And as a result of the communication between the schools and the families, a plan to address the barriers to attendance shall be created and followed. The amendment would require that after the school takes those steps, and only after those steps have been taken in a collaborative way, and the plan has not been successful and the absences have not been excused, and the matter may, and should, be referred to the county attorney's office. Again, these kinds of compulsory attendance laws which have been in effect since 1901 in this state are not intended to be criminal statutes but are intended to be status offenses where the juvenile court may--may, in certain cases--intervene. The school, every school, every school district in the state and every school in the state, shall notify the family prior to turning these cases over to the county attorney; and any failure to document and take the steps outlined would result in an affirmative defense for the juvenile and the juvenile's family. This is an important...and actually Jenn Piatt, in my office, came up with this idea. It really makes sense. So what we heard over the...what I heard, and I'm sure many of you heard, over the past few years is that cases would go to the juvenile court system, that there would be a court proceeding and the parents felt powerless. And this though, this affirmative defense provision will give to the parents and the juveniles the opportunity to make an affirmative defense, if a case ever got to the juvenile court, that the schools did not proceed according to the statute. Members, I will say this, that again, that it is the intent of this body...myself, as introducer of these excessive absenteeism provisions over the years, to address what I felt to be after the families the need of the schools as the first line of defense for a juvenile student who, for no reasonable reason, without any real explanation, is not in school, in not learning. And many of you have served on the school boards, I have not. You know, many of you know education at the public school level a lot better than I do, and...but what I am hopeful of, and I now am extremely hopeful of, is that we are arriving at a place where parents and schools and the juvenile justice system can work collaboratively to identify those children who are in significant need of further help. They exist. They are a minority of students, but they exist. [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR ASHFORD: And the help that I believe has been given to those who are in significant need will continue with...in a more robust manner, with AM2164. Again, thank you, body; and thanks, everybody who has worked on this issue. [LB464]

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PRESIDENT HEIDEMANN: Thank you, Senator Ashford. Senator Coash, you're up and recognized. Mr. Clerk. [LB464]

CLERK: Excuse me, Mr. President. Senator Ashford would move to amend the amendment with AM2450. (Legislative Journal page 924.) [LB464]

PRESIDENT HEIDEMANN: Senator Ashford to open on your amendment. [LB464]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. This amendment simply moves...or establishes the operative date that was not in the original amendment; I believe that's the amendment. [LB464]

PRESIDENT HEIDEMANN: Continuing on discussion on AM2164 to AM2450 (sic--AM2450 to AM2154), we have Senator Coash. [LB464]

SENATOR COASH: Thank you, Mr. President. Good morning, colleagues. I'm going to support Senator Ashford's amendment and I will encourage my colleagues to do the same. But I wanted to let you know that I do so cautiously, and the phrase of "be careful what you wish for, you may get it," comes to mind as we talk about this change proposed to how we deal with children who are absent from school. Senator Ashford did a good job of illustrating how we got to where we are. We had an excessive absentee problem. We addressed it in one year. We came back another year and tweaked it. And school districts across the state struggled to implement this in a way that kept children who shouldn't be caught up in the system out of the system, and keep children who need the intervention of the system into the system. We have 249 school districts in our state. With the adoption of Senator Ashford's amendment we will now have 249 attendance policies. And maybe it was just me, because I serve on the Judiciary Committee, but I heard from families, not just in my own district, but from across the state, of families struggling with their schools and their county attorneys. I negotiated a few resolutions to issues, but that was based on a state law and an interpretation of state law. With the adoption of this amendment, we now have 249 policies that will need to be interpreted. And I want to be very candid to the parents and the supporters of this amendment. And again, I'm supporting it. This shifts where we make these decisions down to the local school board, and that's a good thing and that's why I support this. But if we think that by adopting this you're not going to have a school board out there somewhere who implements a policy that is more restrictive than the current state law, I believe you're mistaken. And if that school board happens to be in your district, I guarantee you're going to hear from those families. And what you should be able to go do...to tell those families is, look, I supported AM2164 when we talked about it on March 18, and I gave you the power to go to your school board and talk about the attendance policy you want to have in your district. We are washing our hands here, colleagues. This will not become an issue that we can intervene with, with the passage of AM2164.

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Two hundred forty-nine school districts will now determine, as they should, the attendance policy of their district. And when one, two, a dozen or more, implement an attendance policy that a parent feels is erroneous, they're going to go to that school board member, which is a good thing, but...and I will never say never come to the Legislature, because that's our purview and we should always be open to listen to our constituents, and we are through this amendment. And they said, we want the local control of this issue to be put where we want it, and that's at the school board level. And when we adopt this amendment that's where it will go. [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR COASH: Thank you, Mr. President. I don't wish for this to be the case. I don't wish to have a school board go off the deep end and start throwing kids into the system that don't need to be there. But it can happen. And if you think we're solving that issue through this amendment, you're mistaken. We're just moving it to a different place, but it's a place where it should be; and for that reason I would urge your support of this amendment. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Coash. Senator Krist, you're up next and recognized. [LB464]

SENATOR KRIST: Thank you, Mr. President. And again good morning, members of the Legislature, and good morning, Nebraska. I'll be very brief. I have had the honor of serving as appointed by the Chief Justice to the Juvenile Detention Alternatives Initiative at the state level, and with Ms. Janice Walker, who it's been a pleasure to serve with. And from that vantage point I have to tell you that so many of these things fit together like a mosaic, one piece of the puzzle here, one piece there. When we're talking about our children in the school system being truant, spending money on their education, which has been highlighted time and time again by Senator Lautenbaugh, and I thank him for that, and how we spend the money in our system, investing in our institutions, educational institutions, and dealing with a child who presents itself, he or she, to having problems early on, this is a very, very important part of the juvenile justice system and the educational system jointly. And making the point once again, we have some of the most infamous current cases going on in Douglas County that would highlight to you that most of these adults started as nine-year-olds in the school system presenting themselves. And how we deal with them and how we treat them and the kind of services that are available to them will tell us whether we have a future inmate in the penitentiary. I believe Senator Coash is right on the mark. We may have gone too far with LB800 in the concept or the philosophy of some parents. I've heard from superintendents that they really didn't want to change because they could rely on the statute for the hammer that they needed. Some other superintendents would rather bring back local control and bring it back to the schools. I think this is a move in the right direction, as Senator Coash said, and the caution of "be careful what you wish for," is

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true always; unintended consequences, true always. And to that point I would wrap up my comments with this: The unintended consequence of LB800 was the implementation and the referral of a process of children to our county attorneys, which is extremely cumbersome. The referrals that went because of truancy to our county attorneys overloaded the system. With this change, at least in Douglas County, my county, I can tell you that there's 15 lawyers that probably won't be needed. So when we talk about a total fiscal note in terms of taking care of our kids, it all relates. Please support AM2450 to AM2164 and the underlying LB464. Again, it is a small step but a necessary step in the right direction in taking care of our children in the state of Nebraska. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Krist. Senator Scheer, you're up next and recognized. [LB464]

SENATOR SCHEER: Thank you, Mr. President. I am somewhat concerned with AM2450 to the extent that it is the state's responsibility to educate our youth. And although it was a dramatic change in policy when we adopted the present system, it was adopted for several reasons, one of which was it's hard to educate a youth if they're not in the school building. This law did exactly what we wanted it to do: it kept kids in school. It made it much more difficult for children to miss school. If they're not in their chair, they're not learning. Now there were difficulties with it, but I would say they were more isolated than the norm, and I would have much more preferred looking at how to take care of those exceptions rather than changing the norm. I think Senator Krist is correct that there are a lot of superintendents out there that like the system because it is a uniform system. It's not a parent coming in complaining what is going on in another district and why can't our district do that. It is a statewide policy. It was a good policy, keeping kids in school. Were there problems with it? Yes. But I don't know from changing from one policy to 249 policies is a step in the right direction. Having said that, I'm still on the fence, but I do have some grave reservations. Would Senator Ashford yield? I have a couple technical questions I just wanted to address with him, please. [LB464]

PRESIDENT HEIDEMANN: Senator Ashford, will you yield? [LB464]

SENATOR ASHFORD: Yes. [LB464]

SENATOR SCHEER: Senator Ashford, on your amendment, page 5, line... [LB464]

SENATOR ASHFORD: Page 5? I'm sorry. Page 5? [LB464]

SENATOR SCHEER: Yes. Line 24, it talks "Two parents not related to each other having children attending school in this state." Is it your intention that those should be public school parents, or are they any parents? Because I don't believe that the

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legislation may place a requirement on the private parochial systems within the state. [LB464]

PRESIDENT ASHFORD: The way it reads, it would be any school, or any school, public or private. [LB464]

SENATOR SCHEER: And is it your understanding that this statute would cover both public and private institutions? [LB464]

SENATOR ASHFORD: The compulsory education law applies to all students in the state whether they are in private or public school. This law, change, or these provisions are administered by public schools and not by private schools. So, you're right, I mean, it...primarily it applies to public schools in the way...with these changes. The actual compulsory underlying law applies to all students have to be in school. [LB464]

SENATOR SCHEER: If that were the case, then I would suggest perhaps at... [LB464]

SENATOR ASHFORD: We can add public...when we...this bill...great point, Senator. I mean, when we get...were going to...this bill is going to come back anyway because of the fiscal issues; we can address it at that time (inaudible). [LB464]

SENATOR SCHEER: That would be great. And if on page 6, line 2, it calls for a student...and again, it just says of any institution, and I think it might be beneficial to show it as a public student that... [LB464]

SENATOR ASHFORD: Right. I appreciate that. Thank you. [LB464]

SENATOR SCHEER: Okay, thank you, Senator. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Scheer. Is anyone else wishing to speak on this amendment? Seeing none, Senator Ashford to close on AM2164 (sic--AM2450). [LB464]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. And let me again reiterate that, as I end my eight years here, eight years in the Judiciary Committee, it has been our primary concern since we started out eight years ago to address the needs of our juveniles throughout the state. And what I perceived and I think our committee perceived eight years ago, a system that was in need of reform. This body has stood up to that challenge, and I...you know, I know I get somewhat the way I get. But I...that's the way I get. That's the way I am. But I...we all have occasion to disagree on certain issues. But what I can say with just a great deal of caring for this institution and what I will say when I leave here and as I talk to others about my experience here, is that every single member of this Legislature and those members who, including the

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Lieutenant Governor, who were here when I started eight years ago, have stood up on the issue of juveniles and juvenile justice as it relates to the issues that flow through the Judiciary Committee. I'm off topic a bit, but during my years on the housing authority as executive director, it was quite an eye...I had a small clothing store and practiced law; and all of sudden, I was running the housing authority. And I didn't know much about it, but what I did see and observe, I observed children in distress. I observed violence in many ways unrestrained. I observed children in poverty, in desperate need of help. I observed families that were broken apart and in desperate need of help. And though I will say and I will always say, it is not the fault of the system, or the juvenile justice system, in my view, that has caused these sorts of conditions in my community. But the violence in our state has gone down significantly over the past ten years. But in parts of my city, the violence continue to rage. And I don't have an answer or the answer or any magic wand on how to fix it. But what I do know and what I'm convinced of is that every single person in this body and those who served before you and with me over the last eight years have a deep, deep caring for the children of this state that is absolutely incredibly important to our policymaking. Everybody, every single person cares deeply about families and about children. So those efforts that have been undertaken by this Legislature, whether it's LB561, this initiative involving absenteeism, wanting as....you know, Senator Scheer is absolutely right. We want out children to learn. This is the twenty-first century, and to be technologically competitive we have to have better math scores, we have to have children that go on to a career and have a meaningful life. But we can't achieve that across the state totally until we stop the violence in some way, or contribute to helping to stop the violence, at least in my city, in Omaha. What I'm also convinced of, throughout all these years, is that the incredible commitment of people in state government and local government, whether it's judges or prosecutors, law enforcement people, I know we've had some disputes with HHS, but the people who are working... [LB464 LB561]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR ASHFORD: ...at the Health and Human Services Department, the Probation, the Through the Eyes of the Child Initiative, initiated by the Supreme Court and followed through by Justice Heavican, we are on the right path. We are on the right path because of the people in this room are committed to the right thing and to move this state forward in the areas of juvenile justice. So I thank you all. I urge the adoption of this amendment and that we move forward. And as we go forward over the four years in the next Legislature, the next two years and four years after that, that we continue this effort, that we continue this effort and make Nebraska the number one state in reform of our juvenile justice system, and thereby, hopefully, reducing what is a tragic violence in our city. Thank you. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Ashford. Members, the question is, shall AM2450 to AM2164 be adopted? All those in favor vote aye; all those opposed

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vote nay. Senator Ashford. [LB464]

SENATOR ASHFORD: I'm wondering if it would be a good time to ask for a call of the house, and...so I will ask for a call of the house. Well, I won't ask...yes, I will. I did ask. And I'll take...let's just have a... [LB464]

PRESIDENT HEIDEMANN: Machine vote? [LB464]

SENATOR ASHFORD: ...machine vote on it. Thank you. [LB464]

PRESIDENT HEIDEMANN: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB464]

CLERK: 28 ayes, 0 nays to place the house under call. [LB464]

PRESIDENT HEIDEMANN: 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 unauthorized personnel please leave the floor. The house is under call. Senator Lautenbaugh, will you check in, please? We have been authorized to take call-in votes. Mr. Clerk. [LB464]

CLERK: Senator Murante voting yes. Senator Chambers voting yes. Senator Larson voting yes. Senator Nordquist voting yes. Senator Wightman voting yes. Senator Mello... [LB464]

PRESIDENT HEIDEMANN: Record, Mr. Clerk. [LB464]

CLERK: ...voting yes. 26 ayes, 0 nays, Mr. President, on adoption of the amendment to the amendment. [LB464]

PRESIDENT HEIDEMANN: The amendment is adopted. Continuing with discussion on AM2164. Senator Lautenbaugh. [LB464]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. This is a little off the topic about the amendment, but not much, but it does deal with juvenile court. And we did go in a different direction with LB561 last year regarding how to best handle juvenile offenders. And by expanding probation services and focusing on community-based alternatives, the goal of reducing the number of children who are detained and placed out of the home was brought to the forefront, and we've reallocated millions of dollars to better serve children and families and, in essence, help the juvenile justice system, hopefully, become more effective. And the work of the bench in juvenile court matters is difficult, to say the least. Hoping to remedy familial issues and

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rehabilitate children is a daunting task, and each case is very dependent on its very own facts and circumstances, and the rehabilitative services that are available must be the right ones at the right time for a family in crisis, ordering just enough services, the right services, but without exceeding judicial authority while bearing in mind the cost to the taxpayers, a delicate balancing act, especially when caseloads are as high as they are. And it's important to also recognize the role of the county attorney in juvenile court matters as the gatekeeper, determining which children and families are brought to the attention of the court. And I can only imagine how difficult that must be to decide when to use restraint and when to file a petition and what type of petition to file; should it be a (3)(b) status offense, a (3)(c) mental health case, or a delinquency matter; what's the most humane way to proceed; what's the right way to proceed; what's the most practical; how many charges should be brought; all the while remembering the ethical obligations of the county attorney, and that whatever you're alleging should be provable beyond a reasonable doubt, and with the knowledge that the juvenile court supposedly doesn't exist to punish but to rehabilitate. In this session of the Unicameral we're also going to be talking about, well, this bill and others, regarding juvenile justice, and we're talking about adding an additional judge to Douglas County's Juvenile Court to accommodate the caseload. I'm not yet convinced that's the right thing to do. I think there's a fairly high level of dysfunction in the current bench there. I don't believe they will all get together in the...or can all get together in the same room with each other because of the personalities involved. And I'm not sure adding another personality to the mix will solve that. And I'm concerned about some of the processes utilized in Douglas County by the bench and the County Attorneys Office that may perpetuate some of these problems in juvenile court. The Douglas County Youth Center has a high number of children there that both the secure and staff-secure levels on technical violations of court orders. This sounds like the use of detention is punishment, because surely it's understood that the Douglas County Youth Center is not a community-based out-of-home placement. Who's asking for these children to be detained and who's approving these detentions? How many of these children are detained when services have been ordered but have not yet been implemented? Another notable percentage of children detained at the Douglas County Youth Center, or subsequently released on electronic monitoring, are those for whom capiases have been issued for having missed court. I've also heard of situations where a child was late for court but a capias was still issued, ultimately leading to an arrest... [LB464 LB561]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR LAUTENBAUGH: ...and subsequent detention hearing. The issue of capias arrests and detentions is perhaps the most self-perpetuating practice when the County Attorney's Office itself has a staff member that calls schools each day to find out if a child is present so that the child can then be arrested because of the capiases. I question whether this is a good practice. I question whether the school should fill out a police report every time there's a fight and then at some subsequent date that child can

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be charged with a crime and prosecuted. I question whether multiple charges should be filed against a child who's already an adjudicated delinquent. It doesn't matter if there's one case open or 50 cases, but we're clogging the system when we do that. With each additional excessive filing, with each capias issued and executed, court time becomes more and more of a premium. When a child does appear for a detention hearing, why isn't the... [LB464]

PRESIDENT HEIDEMANN: Time. [LB464]

SENATOR LAUTENBAUGH: Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Seeing more people wishing to speak, I am going to lift the call. Senator Chambers, you are recognized. [LB464]

SENATOR CHAMBERS: Thank you, Mr. President and members of the Legislature. And thank you, Senator Lautenbaugh. Senator Lautenbaugh was able, in a very measured, controlled manner, to discuss problems that are extremely significant and are not being addressed in Douglas County right now. I have made it clear that I am going to do everything I can to prevent Douglas County from getting another juvenile judge. Senator Lautenbaugh stated it very well when he indicated that there is dysfunction. You will not address the dysfunction by simply putting another person there. I had a meeting with some judges and I have talked to the Chief Justice and I've indicated to all of them that my mind is not going to change on this. There are issues that I've discussed at committee hearings when the Chief Justice was there, on the floor of this Legislature. They are not addressed at all. But when an additional judge is wanted, people can find a way to talk to me. I'm as concerned about what happens to children as anybody, more concerned than many people, but I will not say I'm more concerned than everybody. Sometimes it is just difficult, especially for people who are not a part of the judicial system or a member of the Legislature to understand what is going on, what can be done about it, if anything; so they feel helpless. They feel that there is abusiveness from the bench. There are parents who have been made almost to cry by Judge Crnkovich. I have mentioned her name over and over and over. Judges have mentioned her to me. There are lawyers who will refuse to take juvenile court cases, cases that go to juvenile court, if they're going before Judge Crnkovich. Now I mention her by name. For some reason she will not be dealt with. I'll be very blunt: There are politics at work in various appointments. Her family was very powerful in Democratic politics. I believe that she got her appointment because of that. There might be some carryover, but she is untouchable. She can mistreat people any way she chooses. She can threaten people in her courtroom for looking at her: What are you looking at me for; why are you looking at me like that? And then if the person says anything, she says--I don't know if it's true or not--she's got a little button she can push and somebody will come and take that person to jail. Now what could be more inappropriate than that? The Chief Justice cannot do anything. The judges will not file

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any ethics complaints based on her unethical conduct. So I'm going to make sure that in the Legislature I do what I'm able to do to bring pressure to bear on those people; and denying them that judge is going to let them know that I'm serious. If that bill comes on the agenda, I hope nobody has a great amount of important things pending, because I intend to take the full eight hours, if nobody else speaks, and I'm going to run down some of the things that have been presented about Judge Crnkovich. I have correspondence written to me, but the person insists that his or her name not be utilized because he or she may have to appear as a lawyer before that person. So what is to be done? We must try, to the extent that we can, to look at the children who come in to that hellhole of a courtroom, who are locked up inappropriately... [LB464]

PRESIDENT HEIDEMANN: One minute. [LB464]

SENATOR CHAMBERS: ...in the way described very accurately by Senator Lautenbaugh, the heaping up of papers and charges and the terrifying of family members, because every time they turn around, here is some notification from somebody in the county attorney's office or the juvenile court. And people cannot distinguish one of these entities from another, so they may say the county attorney, because the initial contact was there; they may say the juvenile court when somebody comes with a piece of paper and says, your child or you missed an appearance, and you're going or jail, or somebody is going to jail. All that they know is that there is a ball of confusion and there is no way to straighten it out. I'm not going to say a lot on these things today. I don't trust myself--in reality, I do. But a statement like that might carry an element of drama and let you know how seriously this is being taken by some of us. Thank you, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Thank you, Senator Chambers. Anyone else wishing to speak? Seeing none, Senator Ashford to close. Senator Ashford waives closing. The question is, shall AM2164 be adopted to LB464? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB464]

CLERK: 28 ayes, 0 nays, Mr. President, on the adoption of Senator Ashford's amendment. [LB464]

PRESIDENT HEIDEMANN: The amendment is adopted. [LB464]

CLERK: I have nothing further on the bill, Mr. President. [LB464]

PRESIDENT HEIDEMANN: Senator Murante for a motion. [LB464]

SENATOR MURANTE: Mr. President, I move to advance LB464 to E&R for engrossing. [LB464]

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PRESIDENT HEIDEMANN: Members, you have heard the motion. All those in favor say aye. All opposed say nay. It is moved on. Mr. Clerk. [LB464]

CLERK: Mr. President, some items if I may. New resolutions, LR487 by Senator McCoy. Pursuant to its introduction, a communication from the Speaker directing that LR487 be referred to Reference for a referral to a standing committee for a hearing. Senator Davis offers LR488; Senator Larson, LR489; Senator Crawford, LR490; Senator Davis, LR491. All of those will be laid over. A Reference report referring certain gubernatorial appointees to a standing committee for a confirmation hearing. I have a confirmation report from the Transportation Committee, signed by Senator Dubas. Senator Campbell offers a new A bill: LB887A. (Read by title for the first time.) (Legislative Journal pages 924-929.) [LR487 LR488 LR489 LR490 LR491 LB887A]

Mr. President, a priority motion. Senator Seiler would move to recess the body until 1:30 p.m.

PRESIDENT HEIDEMANN: Members, you have heard the motion to recess till 1:30. All those in favor say aye. All opposed say nay. We are recessed.

RECESS

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: 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. Record, Mr. Clerk.

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

SPEAKER ADAMS: Any items for the record?

CLERK: Committee on Judiciary, Chaired by Senator Ashford, reports LB811 and LB1034 to General File with amendments attached. I have a confirmation report from the Judiciary Committee. And, Mr. President, the Revenue Committee will have an Executive Session at 2:00 under the south balcony. The Revenue Committee at 2:00. That's all that I have. (Legislative Journal pages 929 and 930.) [LB811 LB1034]

SPEAKER ADAMS: Thank you, Mr. Clerk. (Visitors introduced.) Mr. Clerk, we'll proceed to the General File, LB887. [LB887]

CLERK: LB887 by Senator Campbell. (Read title.) Introduced on January 14 of this year; referred to the Health and Human Services Committee for purposes of conducting a public hearing. The bill was advanced to General File. There are committee

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amendments, Mr. President. (AM2032, Legislative Journal page 657.) [LB887]

SPEAKER ADAMS: Senator Campbell, you're recognized to open on LB887. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. One of the most important committees the Legislature has is the State Planning Committee. And the State Planning Committee, several years ago as it started, set goals for this Legislature and for the state of Nebraska. The goal for the Health and Human Services area is to design individual health and human services programs that allow Nebraskans to thrive. In the next hours as we discuss LB887, we need to keep in mind that this is our goal and does LB887 reach and meet that goal? As we begin our discussion on the bill, the Wellness in Nebraska Act, I want to share testimony from the interim study hearing on December 18, 2013. My name is Tammy. I'm here from Stapleton, Nebraska. I'm here to represent myself, my family, my friends, and my neighbors. My husband and I are ranchers in McPherson County. And I also am a sales associate for an insurance company so I know the insights of the health insurance business. I was very excited when we got to go onto the exchange and find out whether or not we would qualify for health. And we're not going to. We fell into the Medicaid gap. Our adjusted gross income last year was \$10,100. We are too far below, so therefore I am too poor for Obamacare and I am too rich for the state of Nebraska. A lot of my family and my friends are in the same boat and it's a great burden on us. I had cancer in 2011. I had colon cancer and I know that every year now I will face medical bills. That is a great burden on my family. For 19 years I paid a premium every month and now I'm going to be faced with the question of how to pay my medical bills. I am here to represent a lot of people and answer your questions. Most of my clients are young families like ourselves who have children who have been covering their assets so they would not lose their farm or their business because of medical conditions. But you have to remember, we don't qualify for any kind of insurance. I'm here to ask you to find some way to help us. We pay a great burden to this state in our property taxes already and this is just one burden that I don't know that rural Nebraska can afford. And it's not just farmers and ranchers, it's dog groomers, it's plumbers, it's contractors, it's a grocery store owner. It's also the people who work for the farmers and the ranchers. They are, a lot of times, uninsured. They've come to me asking for help with their insurance, but they don't make enough to qualify. And that's why I was here to ask you guys to do something. It's not just my personal story, it's western Nebraska's personal story. And we're hardworking people and we've been forgotten. And just by the federal government, not by them alone, but by the state of Nebraska. To thousands of Nebraskans, it may and must appear to them as if they are forgotten. They are the uninsured; under 133 percent of the federal poverty level, people who would have access to healthcare under this bill. But what do we know about the uninsured in Nebraska besides the number that we've been using all along, the 54,000 number? I want to share with you comments from and a list of indicators developed by Dr. Rowen Zetterman, the former president of the Nebraska Medical Association and former dean of the Creighton School of Medicine.

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Dr. Zetterman wrote to me: Based on studies to date, we can infer several things about this currently uninsured population in Nebraska. Their overall mortality is up to 25 percent higher than those who are insured. They are three to five times more likely than the insured to delay needed healthcare for themselves and for their children. They are four times more likely to delay preventative healthcare than those who are insured. Uninsured women are only half as likely to get a mammogram. Uninsured men and women are five times less likely to get colon cancer screening in Nebraska, a state where 1 in 17 persons will develop colon cancer and where prevention or early detection can reduce the cost of care and save lives. Uninsured Nebraskans are more likely to seek initial care when their disease is more advanced and less treatable. Uninsured Nebraskans are six times more likely to go without healthcare due to cost. Even those uninsured persons with cancer are five times...five times more likely to delay care than those who have insurance. Importantly, in states where Medicaid coverage is similar to that proposed on LB887, overall patient mortality of people age 34 to 64 years of age is reduced. I want to go back a little bit and bring you up to date on Medicaid. And for those who came to the briefing, you'll know all the answers to all the questions. In this country we have two healthcare...public healthcare programs--Medicare and Medicaid. And what is the difference between those two? Because Patrick was not at the briefings, I was able to have a prop and I was able to display my own Medicare card. So you have to imagine that my Medicare card is in my pocket. Medicare is a federal program paid totally...totally by the federal government and the eligibility is solely the age. So at least you know part of my age. Medicaid is a state and federal partnership since 1965. Percentage of the payment varies from year to year depending on the economic condition of the state and personal income. It is a formula that is used. And the eligibility level has two different criteria. You have to meet the income eligibility, percentage, usually, of the federal poverty level, and you have to be in a category. So you have to either be a pregnant woman, a child, aged, blind, and disabled. Approximately 240,000 Nebraskans are currently covered in our Medicaid program. The largest category covered at nearly 64 percent... [LB887]

SPEAKER ADAMS: One minute, Senator. [LB887]

SENATOR CAMPBELL: ...are children. The largest expense category is aged and disabled. When the ACA was passed by Congress, they had three components: they had the exchange, they had private insurance, and they expected to expand Medicaid. And they put in subsidies in the exchange for folks from 100 to 400 percent of the federal poverty level. The Supreme Court upheld that law and said, however, because Medicaid is a partnership between the states and the federal government, states have to opt into the use of Medicaid dollars. We've now come full circle with Tammy's testimony, because this is what LB887 is all about. It is about the people who are uninsured and cannot get that insurance. [LB887]

SPEAKER ADAMS: Time, Senator. [LB887]

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SENATOR CAMPBELL: Thank you, Mr. President. [LB887]

SPEAKER ADAMS: (Visitor introduced.) As the Clerk stated, there are amendments to the...from the committee. Senator Campbell, as Chair of the committee, you are recognized to open on the amendment. [LB887]

SENATOR CAMPBELL: Thank you very much, Mr. President. Last year, we had LB557 (sic-577). And during that discussion on the floor, that bill was a state plan amendment to our Medicaid plan. If you ask how many Medicaid plans are in the United States, there are 50. Every state has their own Medicaid plan. So we were going to make a state plan amendment last year. And that's a check by the Governor and a notification to CMS. But senators on this floor, and to me privately said--can we use the private insurance market on the exchanges? Should we...should participants have some skin in the game, some personal responsibility? What are other states doing? Let's just wait and see. And I would add, you said, study it. And so, my colleagues, you were right. What we have before us in LB887 is a far different bill. And I will tell you, because of waiting and studying and research, we have a far better bill. The amendment to the bill becomes the bill. So the white copy is the full bill. It adds a new category for use of Medicaid expansion dollars, the newly eligible adults aged 19 to 64; zero to 133 percent of the federal poverty level. What we do in this bill is we not only use a state plan amendment for the remainder of this year, but we begin to ask the federal government for an 1115 Waiver. So what we're saying to the federal government is--we want a waiver from what is in the ACA, or what a lot of people say is Obamacare, we want a waiver from that. We want a Nebraska plan targeted and tailored for our population in the state. The key to this for the federal government is that whatever waiver we submit must be budget neutral. The feds won't pay more than what they've paid for traditional Medicaid. We asked to be distributed, and so each of you have sort of a summary of LB887, and you also have a section by section summary of the bill. Keep in mind that this bill has a lot of parts because it builds the framework section by section on what a waiver of the Nebraska plan would look like. In that waiver, Wellness in Nebraska, applies to include...and here's where we begin looking at different populations, you can have premium assistance in the WIN marketplace, so we do use that marketplace and private insurance. You can have the WIN employer-sponsored insurance, which takes advantage of those who have employer insurance; we would pay 50 percent of that if they met the eligibility in order not to defuse and take away people from the employer. We also have the WIN Medicaid coverage, zero to 100 percent. And the WIN Medicaid for the medically frail individuals with exceptional medical conditions. The sections that follow in the bill describe for you how those would work. And so you will see in there that we utilize the "Silver Plan" that's in the exchange. The "Silver" is a requirement of the federal government that we use that part of it. Nebraska waivers shall include a number of innovations and pilots. And you say--why would we do that? That is exactly what a waiver is. It gives you time to look at...well, if we served a population this way and we

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had a cost delivery system and we put in accountable care or patient-centered medical homes, what becomes most cost effective? What's efficient? What gets people who are not used to having insurance into a pattern of it? You're trying to demonstrate through a waiver what will work in the state of Nebraska. And here, my colleagues, is the greatest benefit to all of us in the state, is that by using the federal dollars, the expansion dollars for WIN Nebraska, we can begin looking at what is the best and efficient healthcare, not only for the population that would be covered under WIN, what I think what we will learn for healthcare for all Nebraskans. It includes different reimbursement methodologies and incentives; there is a premium for some of the participants who are in it to get them into a pattern of budgeting for their insurance. It also gives them some skin in the game. It includes information to them and how we would begin looking at different systems of care. And I think you're probably going to hear about some of that when Senator Gloor talks about patient-centered medical homes. Wellness in Nebraska waivers has to include evaluations; the federal government requires it. We also included a WIN oversight committee. That committee is patterned after one that was established by Senator Tim Gay when he was the Chair of Health and Human Services. It is the exact composition and the whole goal of that committee at that point was to study the ACA and say how do we look at healthcare in Nebraska. So we have patterned that oversight committee which is one of the most important responsibilities of the Legislature and we have put that in the bill. If at any point, Congress...Congress must vote to lower the percentage that the federal government would put in, it establishes...it starts out at 100 percent and establishes by 2020 a floor to 90 percent. If Congress votes to change that and it falls below the 90 percent, then it comes back to the Legislature and our colleagues at that point...that point in time, will have to take a look at this and determine what they want to do with the program. Sections 51 through 53 of the bill deal with the funding mechanism for WIN that was encompassed in LB578. And Senator Nordquist will be covering the information on it. That is a brief overview of the section summary. And so I am sure that it will help you guide you through the bill. Colleagues, we will be making a lot of decisions at the times that we serve in the Nebraska Legislature, but there may be no more important decision, not only for the 54,000, who, unless this is passed, have no option for health coverage access...none; because Congress thought that Medicaid expansion would be a part of upholding the constitutional part of it that they did not put any other option in. And that is why, for that decision, it is extremely important that we all give our attention to each other and the questions we will ask. Thank you, Mr. President. [LB887 LB577 LB578]

SPEAKER ADAMS: Thank you, Senator Campbell. Mr. Clerk, there is an amendment to the committee amendment. [LB887]

CLERK: Mr. President, Senator Campbell has AM2370. Senator, I have a note you wish to withdraw AM2370 and offer as a substitute, therefore AM2437. (Legislative Journal page 930.) [LB887]

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SENATOR CAMPBELL: That is correct, Mr. Clerk. [LB887]

SPEAKER ADAMS: No objections, so ordered. Senator Campbell, you're recognized to open on your amendment. [LB887]

SENATOR CAMPBELL: Colleagues, this amendment provides language that would clarify the role that the WIN oversight committee has and the role that the executive branch would have in developing the waiver. And we wanted to be abundantly clear about that language and so this amendment does that. I would like to yield the rest of my time on this amendment to Senator Nordquist. [LB887]

SPEAKER ADAMS: Senator Nordquist, you're yielded 9 minutes 30 seconds. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President and members; thank you, Senator Campbell. Senator Campbell, today, fabulous job of laying out what is at stake in this debate. We're talking about the health and well being of 50,000 to 60,000 of our neighbors; about the sustainability...the financial sustainability of our healthcare system, of our rural hospitals in this state. And the approach that we're taking is certainly different than the approach that we have taken in...taken last year with LB577. This very much is a private sector...private insurance oriented approach. As Senator Campbell mentioned in the bill, we have the waiver which will allow us to enroll individuals with federal Medicaid dollars into private-sector plans, if their income is above 100 percent of poverty. For those below, they would be in a managed care plan, which is operated by four private health insurers in our state. So essentially, everyone that would be covered under this system is going to have some sort of a private health insurance card, whether that be in the managed care side with United or Arbor Health or Coventry or in the marketplace exchange. And that's the approach we're taking. The approach is to leverage, and it isn't free dollars, as I've heard some people describe it, it certainly isn't that; it is Nebraska dollars that have left our state and the only way for us to bring those dollars back into our economy is to move forward with one of these options. And the option that is before us again very much is a private-sector approach. I want to spend a few minutes talking about the fiscal implications because I know that has been a point of contention in the rhetoric that has been used regarding LB887 and LB577 last year. And I handed out a spreadsheet and the top is titled--LB887 Wellness in Nebraska Fiscal Impact. The top of that sheet is directly off of the fiscal note from our Legislative Fiscal Office. And I'm sure if you have any questions about the assumption, the modeling of that, Liz Hruska can answer those, and she is sitting under the balcony over here. As the top line shows: Aid to new eligibles, that is where the 100 percent federal funding comes in for the first three years. And again, it is calendar year '14, calendar year '15, calendar year '16. It's not the first three years that we choose to implement this. And I know we're going to hear today, probably, from opponents citing a study from Oregon that there's...will be a higher ER utilization. Well, there is a countering study in Massachusetts that said, yes, there is a bump, but then if you look at it long term, it

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comes back down. Now asking people who are concerned, fiscal conservatives, concerned about the cost of that, wouldn't it make more sense for us to absorb that initial utilization bump up when the federal government is funding this a hundred percent for the first three years? And then we're able to absorb the rest of the cost moving forward. So that's the top line. Primary care rates--we continue to pay a higher reimbursement rate to our primary care physicians so that more of them accept this population. It's a pretty substantial increase in their reimbursement rates. Obviously, with any program there's administrative costs and costs to establish the waiver and IT costs. And then we get down to the savings. And these are savings that have been identified directly by the departments. The Department of Health and Human Services says we're going to save \$9 million a year for our state disability program that we won't have to fund solely out of General Funds anymore. The AIDS drug program, we help low-income AIDS patients, almost a million dollars a year, get their prescription drugs. Under this plan, they would be able to have full health coverage, not just coverage for their prescription drugs. There are substantial behavioral health savings, and savings in the Department of Corrections. So in total, between now and 2020, \$61 million will be the cost to the state. That \$61 million between now and 2020 would equal less than one-quarter of one percent of the General Fund spending we're going to do between now and 2020. Between now and 2020, we are going to spend over \$27 billion, General Fund dollars, \$27 billion General Fund dollars between now and 2020, we're talking about \$61 million, less than a quarter of one percent. I don't think we're going to have to raise taxes to absorb that; I don't think we're going to have to cut education to absorb that. Then, if you look at the lower part of the fiscal impact sheet, this is where my bill from last year, LB578, comes into effect. Because of the Affordable Care Act, we had a comprehensive, high-risk insurance pool for people with preexisting conditions. That goes away because those individuals can now go into the private marketplace and get a plan much more cheaply than they could in the risk pool. And we don't have to subsidize that plan anymore to the tune of \$23 million a year that was coming from premium taxes. Now that \$9.2 million that we have identified here was supposed to go to the General Fund, and it is included in future fiscal years as new projected General Fund revenue. We're going to say--let's not put it in the General Fund, because this would be new money coming into the General Fund, let's...before we start spending it on other General Fund programs, let's direct it to this. It was going to pay for healthcare for people who couldn't get healthcare because of a preexisting condition, let's say--let's put it towards healthcare for people who can't afford healthcare. So with that \$9.2 million a year, we are looking at having to come up with an additional \$15 million between now and the end of the decade. We will talk about other areas where there are savings and positive fiscal impacts because of doing this. One of those, that I did hand out a sheet and I'll go into greater detail on, is the influx of those Nebraska dollars coming back to our state. We are absorbing the negative side of those dollars leaving our state; we are paying those taxes. They have gone to the treasury in Washington, D.C. Now no one, I don't care what side of this issue you're on, can look at me with a straight face and say--a return of \$2.1 billion to our economy between now and 2020 won't have a

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positive impact on jobs; won't have a positive impact on tax revenues at the state level and at the local level. It certainly will. And that is what the study from UNMC that was done a few days ago, that I handed out the sheet on, shows what those potentials are. So again, as we're looking at the fiscal impact of this, less than one-quarter of one percent is what the cost of this program would be between now and the end of the decade and we would be able to provide over 50,000 of our neighbors with comprehensive health insurance. I think that's a deal that Nebraska should accept and should move forward with. Thank you. [LB887 LB577 LB578]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Nordquist and Senator Campbell. Those wishing to speak: Senator Conrad, Nordquist, McGill, Mello, Cook, Campbell, and others. Senator Conrad, you are recognized. [LB887]

SENATOR CONRAD: Thank you, Mr. President. I yield my time to Senator Howard. [LB887]

SENATOR KRIST: Senator Howard, 5:50...4:50. [LB887]

SENATOR HOWARD: Thank you, Mr. President. Today I am proud to stand with my colleagues in support of the Wellness in Nebraska Plan. Last year during debate on LB577, I spoke on the floor about my own family's experience with my sister. How she worked hard her entire life, but lacked the health insurance she needed to get the care that may have saved her life. It will be five years next Monday, March 24; also known as Carrie Howard Day, since we lost her. And I still think about her every day. Her loss and my family's heartbreak is not unique. There are thousands of Nebraska families in the same boat that have to choose between groceries and prescriptions, a mortgage payment, and a visit to the doctor. But the problem is bigger than groceries. A study from the New England Journal of Medicine found that for every 176 Medicaid-covered lives, one death could be prevented. That would mean that with this bill we have the opportunity to prevent 500 deaths a year in Nebraska. I work at a health clinic. I see folks every day who are terrified when a health issue arises. And I know how scary it is to wonder if you can afford to get sick. The Wellness in Nebraska Plan is our chance to ensure that every Nebraskans has the fair shot at living a healthy, productive life. This bill is our opportunity as their public servants to preserve "The Good Life" for 54,000 uninsured Nebraskans; 84 percent of whom are working full time. They just don't have health insurance. And I know there are concerns about provider capacity. But the providers at my clinic carry a patient load of about 2,000 patients annually. And that's normal. That means that if there are roughly 54,000 uninsured Nebraskans, we would need 25 providers in the state of Nebraska to care for those people. And according to Dr. Zetterman's testimony last year, insuring provider capacity is eminently doable. Thirty-nine percent of the folks who live in my district are uninsured and making those

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hard financial choices I talked about earlier. They have to chose between day care for their kids or healthcare for themselves. But that's not a situation that's unique to midtown Omaha, or even large cities. This is a Nebraska problem. And LB887 is a Nebraska solution. I got an e-mail over the weekend from a fellow I've never met. His name was Brian Baumgart; he indicated that he thought I might be in the wrong profession, which there are some days when I might agree with him. But today is not one of those days. But at the end of his e-mail, he had a quote from Martin Luther King, Jr., and it said: On some positions, cowardice asks the question, is it safe? Expediency asks the question, is it politic? And vanity comes along and asks the question, is it popular? But conscience asked the question, is it right? And there comes a time when one must take a position that is neither safe nor politic nor popular. But he must do it because conscience tells him it is right. The ultimate measure of a man is not where he stands in moments of convenience, but where he stands in moments of challenge, moments of great crisis and controversy. I urge my colleagues to support LB887. Thank you, Mr. President. [LB887 LB577]

SENATOR KRIST: Thank you, Senator Howard and Senator Conrad. Senator Nordquist, you are recognized. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President and members. Senator Howard brought up a great point about the Nebraskans that are working. And I've received a lot of e-mails over the week leading up to this saying--why are we providing health coverage to able-body people when they should be working; when they should be working and providing their own health insurance? So that's why I handed out...that's on the backside of the chart with the big circle. And that shows our uninsured rate and our unemployed rate in Nebraska. In our state, our unemployed rate right now is 3.9 percent; 3.9 percent of Nebraskans are unemployed. Now, I remember from my economic classes in college that there's always going to be some unemployed in a cyclical economy and that...they used to say that 4 percent was pretty close to full employment. But maybe those 3.9 really are just slacking. So let's...if we want to make that assumption that they're able bodied and just slacking, I guess that's fine. But for the rest, the 96 percent of the population that are working, we still have...it's floated the last few years, between 13 and 15 percent of our population that's uninsured. So if 15 or 13 percent of our population is uninsured and 3 percent are unemployed, that means that somewhere between 9...10 percent of our population is working, but is uninsured. These able-bodied people are working. They're working low-wage jobs. They're struggling to put food on the table; struggling to make ends meet, put a roof over their head; and they're struggling to afford health insurance. And that is the exact population that is going to continue to be left uninsured without LB887. So if there is some assumption that Nebraskans are able bodied and just choose to not work, that's just not right. Nebraskans are working; they're working hard and they're struggling to afford health insurance. And the implications of that in our healthcare system are very, very large and very negative to have a large uninsured population. I just want to make that

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point for now and I'll yield the rest of my time to Senator Conrad. [LB887]

SENATOR KRIST: Senator Conrad, 2:30. [LB887]

SENATOR CONRAD: Two thirty? Did you say, Mr... [LB887]

SENATOR KRIST: Yes. [LB887]

SENATOR CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Thank you, Senator Nordquist. Friends, I rise in support of LB887 and the pending amendments. And I want to talk a little bit about what this is and what this isn't and things that we can all agree upon. What this is, what LB887 is is an exciting opportunity for us to debate the very important and great issues of our time. LB887 allows us the opportunity to talk about who we are and what we value. And it will be no surprise to any of you when I say--I value working families. I stand with the over 50,000 Nebraskans that have an opportunity to benefit from this legislation because they're currently mired in a coverage gap. They are not takers. They are working hard. They do not derive their limited income from some sort of stock option. They derive it from hard work, low-wage work; work, sometimes, without benefits like access to basic healthcare, prevention, and wellness options. This is an economic development issue. This is a family values issue. This is a wonderful opportunity for us to stand with working Nebraskans. This is a wonderful opportunity for us to stand with Nebraska taxpayers, because make no mistake, under the current system, without LB887, Nebraskans have already paid twice and have received nothing in return. [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CONRAD: They've paid once through their federal taxes; they paid again for uncompensated care. And they received nothing in return. LB887 allows us an opportunity to return our dollars to Nebraska; to mitigate the effects of uncompensated care. And to extend basic coverage and access to over 50,000 working Nebraskans. That's an incredible bargain and an incredible opportunity to move forward on an important economic development issue and on an important family values issue. I also want to talk about what this debate is not about. This isn't about the Affordable Care Act. This isn't about Obamacare. That was debated and fairly adopted in the Congress in 2010. It was reaffirmed in a national election, and it was upheld by our U.S. Supreme Court. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR CONRAD: Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Nordquist and Senator Conrad. Senator McGill,

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you're recognized. [LB887]

SENATOR MCGILL: Thank you, Mr. President, members of the body. Supporting LB887 is the fiscally prudent thing to do. As you've already heard, and I will reiterate, we are paying taxes to the federal government for this program. So it is foolish not to use this money to benefit our citizens and our economy. If the federal government changes the law, then we will come back...or some of you would come back, and have the opportunity to make changes to our program. In the meantime, it saves us money and it helps people like my colleagues at Target, some of which struggle or working multiple jobs to make ends meet. And some of which desperately need health insurance. But I'd like to spend most of my time here talking about the impact that LB887 will have for those with mental illness and behavioral health issues. You've heard me numerous times get up on this floor and talk about our capacity issues and the stigma issues surrounding mental health and the various barriers that we currently have to making sure our citizens are getting the treatment to be mentally well. LB887 provides for coverage of behavioral health services to those who don't have them. Too often these mental illnesses develop into crisis situations when they aren't treated in a preventative way. And this bill would allow them to get those preventative services, identifications, and early screenings that they need to get the care to help them be well. It helps with mental health and substance use services because they're a parity with other benefits. There are 42,000 Nebraskans that are uninsured and suffer from a serious mental illness, serious psychological distress, or have a substance use disorder. Nebraska will save money and improve existing programs through the passage of this bill. As Senator Nordquist mentioned, there are a variety of savings in this bill because LB887 will now be fulfilling many of the needs that our current programs, like the behavioral health regions, are doing. They have great programs out there around the state trying to help fill this needs, but even now they're underfunded and not able to meet the needs of our communities. By passing LB887, it will free up some of their resources to really tackle some of the issues like integrating mental health services into our schools, into our primary care doctors' offices. They'll allow them to do those extra things that we should be doing now anyway, but we don't fund them adequately. We'll both have savings and be able to shift some of those resources to these new and innovative ideas. The treatment of those needing behavioral health services will also help our workforce because these are folks who aren't able to go to work as routinely as they should, because they're having to leave because their problems aren't being dealt with; they're staying at home, they're jumping from job to job. This will give them stability and an opportunity to continue working or to go back to work if they haven't been there for awhile. With that I highly urge your support of LB887 for all of the reasons I just addressed. And I yield the rest of my time to Senator Conrad. [LB887]

SENATOR KRIST: Senator Conrad, 1:40. [LB887]

SENATOR CONRAD: Thank you. Thank you, Mr. President. Thank you, Senator

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McGill. Friends, again I think it's important to be clear about what this debate is and what this debate isn't. And it's important that we have zealous advocacy on each side to share philosophical differences with this and any other issue. But again, this is not a debate about the Affordable Care Act. This is not a debate about Obamacare. That happened on the federal level. It's been decided. This is a question about whether or not we draw down our taxpayer dollars to our state. And I think it's important to note that most states are working through these very same questions. About half the states have already... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CONRAD: ...decided to draw down those dollars, and about half have not yet or are currently considering such. And I want to make this very clear, crystal clear, when it comes to the fiscal debate that this legislation is going to provoke, I find it incredibly curious that our Governor and some opponents have noted that we cannot afford LB887. But friends, we can't have it both ways. The Governor and some of these same opponents are pushing for tax cuts with price tags that rival almost a billion dollars. And they're saying that's affordable. But then as Senator Nordquist indicated, a quarter of one percent between now and 2020 is what LB887 costs. So let's be thoughtful about some of those inconsistencies before we move forward, because we can't have it both ways. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR CONRAD: I believe LB887 is affordable. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Conrad. Senator Mello, you're recognized. [LB887]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I've spoken with a number of colleagues this session, specifically about this bill in preparations for what we thought was going to be a lengthy floor debate and dialogue and conversation. And I anticipate we're going to hear some good arguments for, some good arguments against, and the reality is, when we're done with this debate, the thought is going to be is...if one, we as a body move forward, I would say, in a very civil fashion because we know that there are some policies that we agree on, policies we disagree on, and it's something that I know there was some heartburn after last year in regards to what happened when we debated this bill. And it's my hope that we can move beyond that in regards to the future and the fate of what happens with LB887 whether we pass the bill or do not pass the bill because I think it speaks volumes about what the Legislature does and how we govern. With that said, Senator Nordquist actually spoke very eloquently about what I was going to go through in regards to the fiscal note. It's a little longer than last year's fiscal note, it's six pages from the

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Legislative Fiscal Office. And there's an explanation of each component that the...the page six of the fiscal note walks you through more of the spreadsheet costs of what LB887 costs in regards to General Funds and federal funds, where the savings are, and then what the bottom line is. And as Senator Nordquist mentioned, the cost of LB887 over a six-year period is roughly \$61 million in General Funds. Colleagues, I know that we've had other conversations and I remember last year some of the floor debate where opponents of expanding healthcare tried to latch on to, I think, some unfortunate information that they felt was driving some of the fiscal debate that the fiscal office's fiscal note just wasn't correct and we weren't taking into consideration all the other aspects that we needed to when we discussed this policy. Well, colleagues, as you've heard me mention before on other bills, controversial and noncontroversial bills, the only fiscal note that matters is the one that comes from the Legislative Fiscal Office. They are the nonpartisan independent entity that provides analysis for our branch of government when it comes to dealing with revenues and/or spending items. And so looking at the fiscal note that was drawn up for this piece of legislation, I know there is rhetoric, I know there's hyperbole, I know, frankly, there's just massive amounts of misinformation coming from the executive branch and other interested parties who want to try to scare people of the fiscal impact of what LB887 does. And the reality is, it's pretty clear, cut and dry, in regards to what this fiscal note is. It's estimated to cost roughly \$61 million over a six-year period. Now this fiscal note also takes into consideration, colleagues, cost savings that we will see if this bill is implemented. Those cost savings are generated from right now programs the Department of Health and Human Services where they're currently being funded with all General Fund dollars. So if LB887 continues, those programs will continue to move forward and they'll be purely funded with all state General Fund dollars with none of the federal assistance that we would get under LB887. That being said, I just want to make sure that I can try to be as crystal clear as possible, and I'm more than willing to listen to the debate for those who oppose LB887. But I think I've tried to...I've heard arguments off the mike and in the press and in press conferences and a variety of different venues that this simply is an unaffordable expansion of government. Colleagues, we provide healthcare, we provide education, we incarcerate individuals for public safety purposes, those are the three main components that government functions. I think I've said it in Appropriations Committee before, we educate, we medicate and we incarcerate. Those are the three driving factors of our state budget. [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR MELLO: The reality is, this unique component that's been put forward by Senator Campbell and members of the Health and Human Services Committee takes a unique approach. It takes in some of the considerations that members, last year, had raised in regards to wanting to see a hybrid model, more personal responsibility inserted into our Medicaid program, which I think this does, but it does so and it keeps, I think, the bottom lines, colleagues, intact. Senator Conrad mentioned, there are some

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members of the body who have been strongly advocating for tax changes that rival to the tunes of hundreds of millions of dollars. And I would agree with the general premise that if we're able to give millionaires like Pete Ricketts and Warren Buffett tax cuts, we should be able to keep in mind then, colleagues, the same argument applies to providing healthcare to low-income working families. It's not saying you can't do both, but I just refuse to accept that argument that we can only provide tax relief and tax changes to those who don't need it in comparison to looking at the true fiscal impact of LB887, which does have a fiscal impact, I will not negate that. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR MELLO: Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Mello. Senator Cook, you're recognized. [LB887]

SENATOR COOK: Thank you, Mr. President, and good afternoon colleagues. I also rise in support of LB887 and would like to add my voice and a lot of the input that we've already talked about this session on the key benefits of such a proposal for the citizens of our state. As has been mentioned already this afternoon, our debate is not a debate about whether or not ACA is the law. It is. And, P.S., this body does not have the power to repeal that law. What we have in this proposal before us is a real...a solution to a real problem that is evident in our state. For example, in Legislative District 13, the district I represent, 22 percent, or more than 22 percent of the residents between the ages of 18 and 64 do not have health insurance coverage. They live in fear of a...not being able to manage their chronic disease or fear of an acute illness developing such as cancer, or an accident for which they would not be able to afford the payment for health services or the therapies that might evolve from that accident. Medical professional across this state support LB887. The healthcare industry supports the change. And in a careful review of the committee statement, you will notice that there is no opposition registered from the organizations that typically serve as the voice of employers, and that being the voice of the chambers of commerce across the state. Employers and senators devoted to supporting business interests should seriously consider a true and objective look at the impact of this proposal on their workers in the state. When the federal law is fully implemented, businesses will face a penalty if they do not offer health insurance to their low-wage workers. If Medicaid expansion is achieved in this state, Nebraska businesses will not be subject to this fine for their eligible workers. The population benefitting from coverage under this bill proposal are low-paid working Nebraskans. They simply don't earn enough to be able to responsibly afford insurance on the private market. And they are ineligible for subsidized coverage on the federal healthcare exchange. And, unfortunately, they're not offered coverage through their employer. Medicaid expansion will lead to a healthier, more productive workforce. Those employees eligible for coverage under this bill proposal deserve to live without fear of illness or the idea that it

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would put them into bankruptcy. Being covered, like the vast majority of the people serving in this body, in this citizens' legislature, will lead to Nebraskans living healthier lives and more productive lives thanks to the preventative care and maintenance of existing illnesses. I would like to add that I appreciate the discussion that we're having and we're going to have this afternoon as we consider the possibility of reforming the way that we support working Nebraskans. This proposal has the opportunity to transform the way that people who currently are eligible for some of the public assistance programs, which by the way I want to remind everyone, you do not receive public assistance in the United States if you are not working or pursuing a degree program toward work. [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR COOK: The new Medicaid model advanced through this proposal creates, again, a strong incentive to work. The program is designed in part to help working families that have an income too low to afford private insurance. Families that are currently receiving cash assistance from Nebraska through Aid to Dependent Children will be able to accept a higher paying job or take a well-earned raise. This is because...although they are graduating off of ADC, their family will not lose Medicaid coverage. Passage of LB887 will help end the reality that Nebraskans who earn raises are having to turn down raises or promotions because such increases would push them over the very, very low eligibility threshold for Medicaid coverage in this state. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR COOK: Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Cook. Senator Campbell, you are recognized. [LB887]

SENATOR CAMPBELL: I would yield the rest of my time to Senator Gloor. [LB887]

SENATOR KRIST: Senator Gloor, 5:55...4:55. [LB887]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. I have passed out in front of you an editorial opinion page from the Journal Star back at the end of February that references me, because remember me last year, I was the guy that was opposed to Medicaid expansion. This is a conversation I've had with a lot of my constituents. And this year, I'm the guy that is in support of Medicaid expansion and there are, I believe, excellent reasons why I was opposed; excellent reasons now why I am in favor. The bills are that dramatically different. Last year's opposition was a challenging one for me, and in some ways painful since I was going against proponents from the very industry that I've been part of. And a lot of conjecture about my stand.

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Some fellow members were suspicious that, perhaps, I had even sold my vote for the veterans home staying in Grand Island. Well, we know that's not the case. And by the way, I appreciate the candor of senators who visited with me about that and some of the other assumptions. It was pretty straightforward. It was based upon three decades of being in the industry and saying--we don't want to go down the path Oregon went down which is well intentioned; we're going to expand Medicaid and then hope good things happen, people get healthier. And the system doesn't operate that way. The system just does not operate that way. It was a well-intentioned effort, but it was too general and not enough specific in terms of its accountabilities. And as a credit to Senator Campbell and Nordquist and others who worked on this during the interim, they took notes; they listened, so did advocacy groups, and sat down and revamped this bill and made it a completely different bill. Now I understand, last year's bill, this bill carries with it the pungent aroma for some people of Obamacare and the Affordable Care Act and they have tuned out looking at the differences. I certainly run into that with constituents. I certainly expect there will be some of that in the Chamber. But members, this is a path that we're going to eventually go down at some future date and the question is, when do we go down it? When are we going to address the increasing cost of healthcare? When are we going to increase the increasing quality problems we have, in addition to the access issues that we have? And my plea isn't just one of access for the uncovered, it's also about the opportunities to transform healthcare. We see in this bill references to patient-centered medical home. And I'll talk about that more later. We see in here coordinated care for chronic conditions. I had a conversation in the hallways here a couple of weeks ago from somebody who was adamant, just adamant that expanding Medicaid was the wrong thing to do and referenced, I think out of frustration and in a way to try and help me visualize what their concern was, 26-year-old males who weren't working, who were staying home with mom and dad watching TV who now would have free healthcare. And my comments to him and my comment to you is, folks, 26-year-old males aren't driving up the cost of healthcare. They can almost cut their leg off and they still don't want to go to the emergency room. What's driving up the cost of healthcare for us are 46- and 56-year-old Nebraskans... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR GLOOR: ...who have chronic conditions, who aren't getting healthcare, who eventually come into our emergency rooms, our doctors' clinics with advanced cases of diabetes, requiring amputations, requiring hospitalizations, all of which is paid for through charity care, through the grace of hospitals and providers who take these people on. But that cost rolls into the cost of doing business, just like shop lifting. It's in there somewhere and we pay for that. As opposed to finding a way to provide care for these people and screening these people; getting them on the appropriate medications so that instead of spending \$30,000 to \$40,000 a pop when they come in through the emergency rooms as charity cases, perhaps we end of spending several thousand dollars and some rudimentary care that keeps that cost from finding its way into the

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healthcare systems. [LB887]

SENATOR KRIST: Senator Gloor, you're now on your own five minutes. [LB887]

SENATOR GLOOR: Thank you, Mr. President. And that's what's before us. I think the opinion page did a good job of far more concisely than I'm going to do in the ten minutes allotted to me; thank you, Senator Campbell, by the way. But there is an appropriate focus, I'm going to quote myself, an appropriate focus on where our healthcare system seems to be headed in this country and we're building a Medicaid program around it. I've told a number of you that I believe that the Affordable Care Act is headed for some difficult times ahead, just based upon the way that it's been organized and pulled together. There are a lot of unanswered questions for me. I don't know whether it's going to survive in its current form or not. But it will survive in a number of ways that all constituents I talked to like: no lifetime maximums, preexisting conditions, exclusions, all of these things, children able to sign up and stay on board, all of these things as part of the Affordable Care Act people want to keep. But if the Affordable Care Act does struggle and if large portions of it begin to fall away in another seven, eight years, we have an opportunity to change and transform our healthcare system by imbedding things like patient-centered medical homes, chronic-care management, improvements in access, appropriate usage...more appropriate usage of mid-level workforce individuals in providing care, the opportunity to embed those in our healthcare delivery system that help all Nebraskans, not just Medicaid Nebraskans, but Medicare Nebraskans, and private insured Nebraskans; and even those, because there will inevitably still be some people who are charity cases who are out there, we can transform our healthcare system in ways that help us all. We need a bump; we need a boost. And we need to do something other than just say no. No, we don't like Medicaid expansion, we're not going to do anything about it. We can't do that any more than we can say, no, we don't like having to spend millions of dollars on water policy. No, we're not going to do it. We know we have to do something about water policy. Nope, we don't want to put any more people in our prisons, we don't want to address that problem. No, we're not going to do it. We've got to do something about it. Nope, we're not going to spend any more money on education; we're not even going to spend time talking about how we're going to not spend money on education. We're just not going to talk about it, no. We can't do that. We have to talk about it. We have to work our way through some of these issues. This is going to be a good debate, if for no other reason than every time we talk about issues around our healthcare system we get smarter and some of the stuff that's meaningless in our dialogue falls by the wayside and we get down to brass tacks. And I hope, at least I have seen in the six years that I've been involved in debate on healthcare issues, a huge increase in the level of debate we have on healthcare issues. I think we know that we can't just say no. Whether this bill passes or not, we can't just say no. We've got to do something about these problems. We can't continue to cost shift. We can't continue to open our ERs for people who flood in. We can't continue to ignore workforce issues or expect that there's always going to be enough physicians

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around to take care of everybody that needs to be seen. No is not an option. This is an option. I think it's not only a reasonable option, I think it's a Nebraska option. I think it's an intelligent option. I will tell you that based upon some of the work that we've done on patient-centered medical homes, other states contact us and ask us for some of the work that's been done on the pilot projects through Medicaid... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR GLOOR: ...on patient-centered medical homes. They're talking to Nebraska because we're doing some things here that we can roll into our delivery system in ways that will be a Nebraska solution. That's doing something; that's not just saying no. I hope you'll listen carefully. I hope you'll read the information put in front of you and help us figure out a way that we can make this happen. We will all, not just Medicaid patients, but we will all, whether we're Medicare, private insurance, or a taxpayer, we'll all benefit as a result of the window. I'm in support of the amendments, as well as the underlying bill. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Gloor and Senator Campbell. Those wishing to speak: Senator Burke Harr, Crawford, Pirsch, Kintner, Bolz, Howard, and others. Senator Burke Harr, you're recognized. [LB887]

SENATOR HARR: Thank you, Mr. President and members of the body. I kind of feel like...I'm listening to Rush Limbaugh, so I'm a bit of a ditto head. I would like to repeat everything that Senator Gloor said, because I think what he said was absolutely right. We have to...we can't just say no. We have a real problem here. We have 54,000 Nebraskans who don't have medical insurance. Now I know there are those out there who will say, yeah they do, it's called the ER. Anytime you have a medical emergency, you can go to the ER. And that's exactly right, you can. But if you have a chronic problem, the ER is not the answer. An ER is not a cheap, it is not economical, it is reactive, it is not proactive. It is an expensive way of providing health insurance. And it is a very inefficient way of providing health insurance. Since I've been down here, one of the things I always look to is, what are best practices and how can we deliver government in a better, more efficient manner? And that's what we have today is a very good bill. There is a woman I know who is single and she has three children; she works as a CNA. She got married young. She does good work and she works in the health industry, but she has trouble making ends meet. She falls in the doughnut hole right now. And so these are the people we want to help. We want to help those who are working, the working poor. That's the goal is how do we get them? So if we get them a job that starts out, they'll go on to the next job. I constantly hear we shouldn't raise minimum wage because minimum wage is a steppingstone and we don't want them to stay there and gravitate to those minimum wage jobs. Well, they got to get the job first. And if they do have minimum wage job, they probably aren't getting health insurance through their business. And they, probably, if they have kids, don't qualify for what we

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need. This bill takes care of those individuals so they can go to the next level, so they can start being contributing members to society. But they can't do it on their own. Might be better for them not to work. Then they do have health insurance to deal with their chronic pains; to deal with their chronic diabetes, Crohn's disease, whatever that may be. We're creating a negative incentive. I was brought up to believe that that what you do to the least of your brother you do unto me. Well, these are the people who need help up. They need a chance. And they need health insurance. We are one of the few industrial societies that do not provide health insurance to all our citizens. And yet we are one of the richest. That's an embarrassment of riches right there. We should be providing health insurance to individuals who need that insurance, who need that extra help. With that I would ask you to please vote for AM2032. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Harr. Senator Crawford, you are recognized. [LB887]

SENATOR CRAWFORD: Thank you, Mr. President. I would like to stand in support of LB887 and the amendments proposed so far. I just want to take just a moment to really speak to my colleagues who have come to talk to me and answered my questions about their concerns about this bill. This morning I had visitors, as I'm sure many of you have had today, in my office. And one of the things I told them was that one thing that makes me proud about how things are different in Nebraska is that we're able to have reasonable discussions about what is best for Nebraska. And I was confident that a good part of our discussion today would very much fit that. And I really am proud of and respect the time that several of the senators who have questions and concerns about Wellness in Nebraska, I appreciate the time that they spent sharing those concerns with me. And I just want to make sure that you know how seriously we took those concerns; and I will take a couple of my times on the mike for your knowledge and for the record to acknowledge and assure you of how we have responded to those concerns. And one of the concerns that was raised was the question of whether or not passing Wellness in Nebraska would harm those who are most vulnerable who are currently covered by Medicaid. And as a member of the Health and Human Services Committee and as a person who very much cares about those who are most vulnerable, let me tell you, I took that concern very seriously. And as those who are involved in meetings and discussions about this bill will attest, I raised that question over and over again. Let's make sure we have thought about this and let's make sure that we're very careful that what we are doing does not in any way harm those who are most vulnerable. And I will tell you that we have many organizations that represent our most vulnerable and I will assure you that those organizations, many, many of those organizations sent letters of support and came and testified in support of LB887, telling us that they want this to pass. I will also tell you that many of these groups come to our Capitol on their advocacy day. And I went to their breakfasts and lunches and I went to ask them that very question. So I said--some of my colleagues are concerned about what this will do for the most vulnerable. You represent the most vulnerable in this state, you tell me, are

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you concerned about this? Are you concerned about the impact of Wellness in Nebraska on those that you represent that are most vulnerable? And again and again they resoundingly said--no, this is good for the most vulnerable in the state. And let me tell you a couple of the reasons that they said you should not be concerned. And again, I respect my colleagues who have expressed this concern, it's important for us to make sure that we are not doing anything to harm those who are most vulnerable. Here's a couple of the things that they told me about why they are not concerned and why all of these groups that represent the most vulnerable in the state are in support of Wellness in Nebraska. One, those who are most vulnerable in terms of special health needs, generally see different kinds of health providers. And so the new people we'll be adding with expansion, the new people we will be adding would be seeing our primary care providers and... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CRAWFORD: Thank you, Mr. President,...and not necessarily the same people that many of those who are most vulnerable have their appointments with. So there should not be a conflict of appointments. And I did also ask if that's also true in rural areas to confirm that for rural areas as well. And the second thing that they said is so many of the people who they work with will benefit from Wellness in Nebraska because so many of them would love to work more hours. But the current restrictions prevent them from working more hours because their medical conditions are ones that just will not work with private insurance. And so expanding Wellness in Nebraska is good for their people that they serve. It is good for the people who are our most medically vulnerable in the state and they are urging you to pass this bill. So any of my colleagues for whom the concern about the most vulnerable in the state is causing them to question or wonder... [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR CRAWFORD: ...I urge you instead to listen to them, they're telling you they support LB887. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Crawford. Senator Pirsch, you're recognized. [LB887]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. I rise concerned about this bill, concerned about Nebraska being the canary in the coal mine. I'll mention three things in particular here with respect to the experience in Oregon. Now as kind of a pilot project, they went ahead in Oregon and they extended Medicaid coverage to 60,000 or 80,000 previously uncovered Oregonians as a demonstration that they would in fact take preventative steps, preventative care. They would not wait until their conditions then became acute enough that they had to go to the emergency room and

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treat things on an emergency basis, which is, of course, the most expensive basis. And the troubling aspect of what the results from that Oregonian study is, is that in fact they did not see a decrease in the amount of emergency room visits and quite the contrary they experienced a 40 percent surge, which is a very material surge in emergency room visits of those recently covered Medicaid population. And so that is something that I do find very concerning and that I think Nebraskans should find concerning as well. With respect to the federal government as they talked about, this is federal government money coming into the state which, of course, is also Nebraska taxpayers. But with respect to the federal government's both ability and commitment to continue this funding over the years because, of course, once you establish a program, there's no meaningful way if it's not working to not have the program any longer. You know, my concern stems from that future...present congresses cannot bind future congresses. And so to the extent that the country's \$17 trillion in debt and that we are going to have to at some point in time come to reckoning with that inability to fund everything just at the current level. You know, I do...I am concerned about that. And there is historical precedent with respect to special education that was funded originally on an agreement of a 40 percent level and now is funded by the federal government in actuality at a 17 percent level. So another concern. And then just finally I'll state with respect to legal infirmities, there is currently litigation going on that deals with the language in the Affordable Care Act expressly granting subsidies and for that matter applying penalties to enrollees for the purpose of state exchange membership but not on the federal exchanges. And in reality what's come to pass is that in a great majority of the states, now it is in fact the federal exchanges that are being utilized and not the state. So my concerns include these concerns. And, again, I do not want Nebraska to end up being the canary going down the coal mine. And so thank you very much for your time. [LB887]

SENATOR KRIST: Thank you, Senator Pirsch. Senator Kintner, you're recognized. [LB887]

SENATOR KINTNER: Well, thank you, Mr. President. You know, I came here to filibuster this bill. And, gosh darn it, the proponents are filibustering it for me. You know, it was said earlier by one of my colleagues, this is a debate about who we are and what we value, and I couldn't agree more. You know, we're looking at Medicaid here as something that we spend about \$600,000 a year on, plus the \$1.2 million of federal money. And, you know, it's very important to ask are we getting our money's worth from the \$1.6 million we're spending right now. You know, if this was a private insurance company administering Medicaid, it wouldn't survive because there's unfair economics, poor service, broken promises. You know, and we want to enlarge this system that's giving us the Medicaid that we have. I got to tell you, it'd be easy to come here and just scream Obamacare because Obamacare is quite unpopular in our state. But I think we owe it to the people, even those of us who do not like Obamacare, to have a legitimate debate on this issue, to look at everything, to air it out and enact. And I think that's the right way to do it. You know, this provides...LB887 provides coverage for able-bodied

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people, and the funding relies solely on President Obama's promise to pay the bill. Now considering the President's track record of ignoring parts of laws that become inconvenient, and if you look at what he's doing, I'm not sure it makes sense for us to commit to a financial burden that we can't possibly afford if the federal government doesn't keep their promise. And I have no indication that President Obama won't change his mind. Now we've got a new proposal this year. I thought it was too expensive last year, so what do they do? Increase the cost by 40 percent--40 percent more than the cost of the program from last year. You know, we're looking at a program where medical decisions regarding your elderly parents, your young children, your wife, your husband, will be made for you as options, you know, for care grow scarce under the thumb of government reform. We've seen it happen everywhere when the government got this involved. You know, looks like we've got a great program now, but as the costs skyrocket up, the options are narrowed. Now let's talk about Medicaid. What we've seen here, it was estimated the early figures to cost \$800 million, we're now spending \$250 billion on it. That's a 31,212 percent increase. Let me say it again because that's a number you don't hear very much: 31,212 percent increase in the cost of Medicaid. So when someone shows you a page of figures that are going to cost this and it's going to cost this and it's going to that, remember where we are with Medicaid after 38 years or 39 years. Look where we are. I have no confidence that the government will fulfill their promise on this. You know, the proponents of Medicaid expansion in Nebraska are touting some eye-popping savings... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR KINTNER: ...sure to come from forcing physicians in the hospitals to adopt the patient-centered medical home model that Senator Gloor talked about which has a heavy emphasis on preventative care as a means of lowering costs. But like most things in life it's just not that simple. It requires coordinated care as the foundation of its model from the primary care doctor to the specialist to everyone in between which might bring down the overall cost from eliminating some duplication and redundancies, but has zero effect on the cost of preventative care. You know, it's the same way that insulating your house has no effect on the cost of the installation. The lesson here is that preventative care costs money too, and because it's applied to a much larger number of patients overall, it erodes the savings that we are expected from installing the PCMH model in the first place. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR KINTNER: Thank you very much. [LB887]

SENATOR KRIST: Thank you, Senator Kintner. Senator Bolz, you're recognized. [LB887]

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SENATOR BOLZ: Thank you, Mr. President. I, too, stand in strong support of LB887, and I choose to yield the remainder of my time to Senator Nordquist. [LB887]

SENATOR KRIST: Senator Nordquist, 4 minutes and 50 seconds. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President. Thank you, Senator Bolz. I just want to counter a couple of the arguments that have been laid out. First about the Oregon study, I think the key aspects to realize there is that was a very short time frame study to look at health consequences. An 18 month study is awfully short. If you look at Massachusetts who did a six-month in-depth study looking at their healthcare expansion, they did show very positive results. I should say, the Oregon study did have some positive results also, like lower cases of depression. When you extrapolate that to Nebraska, we're talking about somewhere in the neighborhood of 5,000 to 6,000 Nebraskans who are battling in depression who would get coverage for their depression. I think that's a very positive outcome, and for people to say it's not just is not accurate. But the Massachusetts study said the results show that Massachusetts reform increased residents utilization of healthcare services, including primary and preventative health services, reduced reliance on hospital ERs as a usual source of care, and improved self-reported health. Those are the outcomes we want and those are the outcomes we will get long term by expanding health coverage. And, unfortunately, the study in Oregon has been, you know, used as an example of what doesn't work. But as I said in my...one of my opening comments, if there is an increased utilization, a blip in utilization to be absorbed, let's absorb that when we get 100 percent funding. Why would we wait a couple of years when we have to pay 5 percent or 10 percent of the cost to absorb that blip in utilization? I'm not going to dispute that this population which has been uninsured for a while isn't going to seek health services. I mean, there are studies out there that show right now most uninsured people still utilized 60 to 70 percent health services that the insured population does. But it's clear that if you've been uninsured for a while, you've put off some health needs, you're going to take and try to get those addressed. Let's do that when we don't have state general funds on the line. The argument of the cost, Senator Kintner said this costs more. He can say that all day long, but in this body we look at the Legislative Fiscal Office numbers. And our Legislative Fiscal Office numbers show that this is actually lower than the fiscal note last year and, as Senator Campbell said, we will not enter into a waiver with the federal government if it costs more. First of all, they can't allow it to cost more under an 1115 waiver, and we have the choice not to. So, again, people can make up the numbers or say they have different numbers, but we budget with the Legislative Fiscal Office numbers here which show that this bill will cost us less than one quarter of one percent of our total spending over the next six years. And then, finally, the special education argument that keeps coming up again and again, first of all, Senator Kolowski and I and Senator Sullivan have worked long and Senator Campbell long and hard on a bill that will be coming forward. The fact of the matter is we're not utilizing all the dollars available to us from the federal government to pay for special education. So we can

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throw our hands in the air and say they're not holding up their end of the bargain. Well, we're not taking advantage of the full bargain. That's the first point. The second point, and this gets a little bit into the weeds, special education is a discretionary program of the...discretionary budget program in the federal budget. That means every single year it goes through the appropriations process and an amount is set. Medicaid... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR NORDQUIST: ...Medicare, Social Security are mandatory programs. They get appropriated no matter what. So there is a very different distinction between special education and programs like Medicare and Medicaid. And the President has said point blank these will not change, these percentages will not change as long as he's in office, and it will take an act of Congress to change a mandatory program. As long as Medicaid has been in place since it was passed under the Johnson administration, federal government has not changed the FMAP agreement with the states. We have a 60...not quite 60, 50-some-year history with the federal government in this program, and the agreement has been in place and has not changed. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR NORDQUIST: Thank you. [LB887]

SENATOR KRIST: Senator Campbell, seeing no one else in the queue, you're recognized to close on your amendment. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President. This amendment, colleagues, clarifies the language to ensure that we are working toward what we always believe in, and that is a separation of the branches. We had a word in that we would negotiate on the waiver with the executive branch, and that should be changed. And so I heartily encourage you to vote for this amendment because we do need to clarify this language in the bill. So please vote yes on the amendment before you. [LB887]

SENATOR KRIST: You've heard the closing on AM2437 to AM2032. The question before the body is the adoption of AM2437. All those in favor vote aye; opposed, nay. Senator Campbell, for what reason do you rise? [LB887]

SENATOR CAMPBELL: I would ask for a call of the house. [LB887]

SENATOR KRIST: There's been a request for the call of the house. The question is, should the house come under call? All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB887]

CLERK: 37 ayes, 0 nays, Mr. President, to place the house under call. [LB887]

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SENATOR KRIST: 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 unauthorized personnel leave the floor. The house is under call. Senator Wightman, Senator Burke Harr, Senator Dubas, Senator Avery, and...please record your presence. Everyone is accounted for. Senator Campbell, how would you like to proceed? [LB887]

SENATOR CAMPBELL: I'd like a roll call vote, please, in regular order. [LB887]

SENATOR KRIST: There's been a request for a roll call vote, regular order. Mr. Clerk, please. [LB887]

CLERK: (Roll call vote taken, Legislative Journal pages 930-931.) 24 ayes...Senator Campbell. [LB887]

SENATOR KRIST: Senator Campbell. [LB887]

SENATOR CAMPBELL: I would move to reconsider the previous vote. I would change my vote to nonvoting. [LB887]

CLERK: Senator Campbell changing from yes to not voting. 23 ayes, 0 nays, Mr. President, on the adoption of the amendment to the committee amendments. [LB887]

SENATOR KRIST: The amendment is not adopted. Raise the call, please. Items for the record, please, Mr. Clerk. [LB887]

CLERK: Mr. President, Senator Crawford offers LR492 and LR493. Those will be laid over. Senator Ken Haar prints amendments to...would like print an amendment to LB967 and LB965. (Legislative Journal pages 931-933.) [LR492 LR493 LB967 LB965]

Mr. President, Senator Campbell would move to reconsider the vote just taken with respect to AM2437. [LB887]

SENATOR KRIST: Senator Campbell, you're recognized. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President. Apparently we need to have a little bit more discussion on this amendment, and so we will do that. This amendment is an important component to making sure that as we put the framework for the waiver together that we have the language in place that would allow us to do this. LB887 is, as I explained to all of you, is a bill that sets forth a waiver process with the federal government. You ask for a waiver or sets of waivers to demonstrate and to research different components of a program. And that is exactly what we are trying to do in

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LB887. We have established through the Oversight Committee which are members of the Legislature, we have established in the waivers that the Oversight Committee would make recommendations and follow the process. What we hope to see in the waivers is to build a framework for the programs ahead in terms of Nebraska's healthcare. Senator Gloor talked about that and indicated that this is a step forward for us for healthcare for all Nebraskans, not just for the population of the 54,000. We are building in this bill a future for ourselves in healthcare, and it is extremely important that we put into place all the different components of what that waiver should look like. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Campbell. Those wishing to speak: Senator Chambers, Conrad, Gloor, McGill, Lathrop, and others. Senator Chambers, you're recognized. [LB887]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, on a bill of this nature, people are where they are and they're going to vote the way they're going to vote. Things probably will be said more for the record than for any other purpose. If I were running for a different office, then I would use this opportunity while the cameras are there, while the media are here to make statements that would look good in a campaign brochure. But we are dealing with something that transcends politics today. Whether it is appropriately seen that way or not is a different matter. The way I look at all of these attempts to extend the reach of legislation that will provide healthcare to our friends, to our neighbors, even our enemies is something that I think ought to be done. This amendment is innocuous. It is not going to hurt anybody's political campaigns. There are people on the floor for this debate who we never see during our deliberations. But this is one of those choice opportunities to be seen. And since the Governor and others have said they are opposed to anything related to extending medical coverage to people who need it, they're going to follow along also. It would be different, I think, in terms of an outcome if those running for higher office were not in a position to have medical care for themselves and their family. There are people who have experienced tragedies. And when they experience a personal tragedy, then they suddenly understand what this means. They want outpourings of sympathy. They want outpourings of understanding. Why, just the other day I heard some of the most effective speeches given in favor of something that is nonliving. Four of them in fact. Water fountains. The talk about how these things are valuable. The standpoint of legacy, history, enriching society for fountains. Now I spoke for the fountains. And I'd say like Jesus had told some people one time, you guys will pay tax...you'll pay tithe on the smallest of herbs. You'll do that. But the weightier matters of the law you ignore. Now paying these tithes on the little herbs ought to be done, but don't leave the other undone. We need to put the fountains in place. But we should help those who we want to be here to enjoy and appreciate them. Human beings are not made for this building, they are not made for the fountains. The building and the fountains are made for human beings, and I'm just replaying in my mind the discussion I heard. My good friend Senator

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Nelson even offered the amendment to spend money for the fountains--four of them. And others had done the same thing. And they showed, because maybe we were dealing with something that was artistic and dealt with the spirit, they showed a side of themselves that I had not seen in our debates up to that point. The last vote was an error, in my opinion, on the part of the Legislature. But some of our colleagues are becoming cagey now. They don't want to have a no vote to show that they are not in favor of... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CHAMBERS: ...extending this medical care. But I think if it's a conviction, they should have the courage of their conviction. They should vote no. That Jesus you all pray to, he said don't be lukewarm, Senator Bloomfield. Don't be lukewarm the rest of you. He said if you're lukewarm, Senator Janssen, I will spew you out of my mouth. That's what the one you all pray to all the time. Senator McCoy won't take a position. Senator Pirsch who talked about how strong he is in his views, he won't take a position. Vote no and show where you are and show what you are. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR CHAMBERS: Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Chambers. Those wishing to speak: Senator Conrad, Gloor, McGill, and Lathrop. Senator Conrad, you're recognized. [LB887]

SENATOR CONRAD: Thank you, Mr. President. Colleagues, I rise in support of the reconsideration motion by Senator Campbell and I think that her opening statement was right. Clearly the body needs to have additional debate on these important topics before they're ready to signal a willingness to move forward. So I'm grateful to have that opportunity. I think it does provide us with the opportunity to remind this body of how we work. And quite simply each senator is entitled to utilize whatever information they deem persuasive in making up their mind in terms of how to cast their vote. But, again, the one thing that we can't bring into this is our own fiscal notes. During my time in the Legislature and it's my understanding during the course of the Legislature's history based on rule, based on statute, based on tradition, we have only what is available to us from the Legislative Fiscal Office in terms of drafting the fiscal impact of any given piece of legislation. And that's important. That's important because we have designated a group of experts to put together objective information for us to utilize in crafting legislation and figuring out how it fits within the context of our larger state budget. This group of experts has significant, significant experience and expertise in pulling together the information that they utilize when formulating fiscal notes, which it is nonpartisan, it is objective, it is the only, the only standard that we have to utilize. So when folks like to utilize rhetoric or make claims about this legislation being unaffordable, that's fine if

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that's the type of rhetoric that they choose to utilize when debating this issue. But the bottom line is this: We can't write our own fiscal notes. The administration does not get to write their own fiscal notes. Interest groups do not get to write their own fiscal notes. We have an objective standard which demonstrates what the cost is, what the price tag is for each piece of legislation and then, of course, how that fits in to the overall state budget. So look no further than the fiscal note. Take the time to read through that. It provides not only critical information in terms of price tag, but a great explanation in terms of substantive content on the legislation as well. And it clearly specifies actual cost savings involved in passing LB887 and expanding coverage for those who fall into the coverage gap currently. We see savings, clear identified savings of \$7.5 million and \$9.1 million in FY '15 and '16 respectively within the state disability program. We also identify clear and specific savings in relation to the AIDS Drug Assistance Program of \$750,000 in 2015; \$900,000 in 2016. The fiscal note identifies clear and specific savings in the Department of Corrections to the tune of \$364,000 in fiscal year '15; \$729,000 in fiscal year '16. Last year, Scot Adams, Director of Nebraska Division of Behavioral Health identified an additional \$6 million in annual savings directly attributable to Medicaid expansion. That's not to mention the additional, additional potential savings that come with the increased access to wellness... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CONRAD: ...and preventative activities. Thank you, Mr. President. And look no further than the private sector. Look to our own state employee health insurance program wherein we have won national awards, we have captured significant amount of savings because of the focus on prevention and wellness. We've already provided a vote, an affirmative vote in regards to that being good policy. The same should hold true for working Nebraskans, the 54,000 working Nebraskans who deserve an opportunity to access basic healthcare. They can do so in an affordable, responsible, and sustainable way according to our fiscal note, according to projections utilized by other states with similar experiences, and the recognition of the fact that each day of inaction we're leaving over \$750,000 of our taxpayers dollars on the table. And they don't magically go to debt reduction on the federal level by no means. So let me disabuse you... [LB887]

SENATOR KRIST: One minute. I'm sorry, time, Senator. [LB887]

SENATOR CONRAD: ...of that notion. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Conrad. Senator Gloor, you're recognized. [LB887]

SENATOR GLOOR: Thank you, Mr. President. We want to be at the table. We want to make sure all the good things that can happen with this bill, if it passes, are given their best chance of happening, whether it's patient-centered medical home, whether it's the

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ability to analyze data, hold providers of healthcare accountable for delivering improved care and control cost. We want to be at the table to make sure all that happens. And that's why this amendment needs to pass. If this doesn't pass, we've limited ourselves in terms of the good that could happen with this bill. So if you think there's a chance this bill is going to pass, you want this amendment to pass. As far as I'm concerned, they do go hand in hand for this to be effective. I want to reiterate some points that are out there. The Oregon experience and quotes about Oregon is what would have happened, I believe, had we approved Medicaid expansion last year. And I didn't support that last year. We're not talking about an Oregon experience. This bill is a significant difference from what Oregon did that it is a Nebraska option with accountabilities and issues that have to do with patient-centered medical home. And I'm going to pass out fact sheets on patient-centered medical home and we'll talk further about that in the future. And, you know, you got to keep your attitude upbeat and fresh when you listen to some of the debate. I absolutely agree with the comment about the dysfunctional Medicaid system that we have, and that we do--\$1.6 billion, I think, was the number, was quoted as a million, but \$1.6 billion going into a dysfunctional system. This bill helps change what is a dysfunctional system into one that has accountabilities, has an emphasis on chronic disease, on primary care. Anybody else got a suggestion on how to change this dysfunctional system? Because otherwise what we're doing is continuing to spend our \$1.6 billion and increasing yearly on a system that's dysfunctional. We have no MMIS system. I walk into a convenience store, I get gas and I get a soda pop, and I guarantee you somewhere somebody analyzes that information and can tell you the extent to which I drew down the gas that are in the gas storage facilities in that convenience store and how many more Pepsis they need to order to put in the cooler because I took one. That's routine in a convenience store and we can't come close to copying that, the state of Nebraska, the second largest buyer of health services after Medicare. We have no idea what we're spending our money on because we don't have an MMIS system. We hope to get one in 2014 after about seven or eight years of fits and starts, once when it was vetoed when we put it in the budget. We need to be correcting some of these things. We need to make improvements. Even if we do get quality information, this state, for as large as it is, has nobody who is responsible for analyzing quality provided to Medicaid recipients. That's also something that needs to be corrected. And if not this bill, who's going to carry the bill next year that addresses that problem or takes that MMIS system and continues to champion it and move it forward? Who's going to do those things? This bill will help us do all of those things and manage the money, the taxpayer money, that we're... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR GLOOR: ...spending that we don't know where it goes. We're not as sophisticated as the convenience store down the street when it comes to managing almost a \$2 billion budget on Medicaid expenditures. Incredible and unexcusable. So if we don't do this bill, what are we going to do to manage that next year? Who's going to

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bring that bill forward because I'd say again, just say no is not an option. We've got to do something. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Gloor. Senator McGill, you're recognized. [LB887]

SENATOR MCGILL: Thank you, Mr. President, members of the body. I, again, rise in support of LB887 and am here to once again talk about mental health and the implications of this bill, particularly on an issue that we have coming up in a couple of weeks which is prison reform. We have a serious overcrowding problem in our state and the number one thing that's putting people in jail is substance abuse issues. They're being caught with these substances on them. They're in our prisons. Why? Because they haven't had the proper programming before they get there in the first place. There are states that have now expanded Medicaid and are taking people as they're being arrested and in their pre-sentencing time period and enrolling them in Medicaid so they can get the services they need right away, can show the courts that they're working to get the services that they need, and so they're not going into jail. They're not clogging the pipeline. So much of what we're about to do with prison reform is a cooperating activity with our counties across our state. And helping them to be able to afford these services that we know, we absolutely know, prevent people from going into prison. They're terrified that as we're going to put more inmates around our state and our county prisons and are looking to extend programming that we're not going to fully fund it in the out years. And I try to give them the reassurances we can, but this bill will help reassure them that they can afford to get these services, these proven services, that keep people out of jail because they get them the treatment that they need. This will save money in the long run. It will help with our prison overcrowding, and if...as we hit that debate in a couple of weeks if this doesn't pass, I'm going to remind folks of this and how crucial they are. Just last week all of us Lancaster County senators met with our district judges and I talked to them about how I've made mental health a priority and how we need to increase the work force and get more people into these services. And they said if you were successful, if we were actually treating these mental health problems, then 80 percent of us would be without a job. That's what they see in court every single day are people who were not getting the services they need, and many of them, if not most, are right in this bubble. This bill is so critical to reforming mental health and our prison population, not to mention the folks who are coming out of prison on the back end who are released and have no home over their head, no job lined up, and no healthcare. This bill would help cover those folks. It's one more way to prevent them from getting caught back in the pipeline of criminal activity, adding stability to their lives. I urge you to reconsider your votes, allow this debate to move forward so that we can ultimately be saving the state thousands and millions of dollars on the back end once it's been implemented. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator McGill. Senator Lathrop, you're recognized.

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[LB887]

SENATOR LATHROP: Thank you, Mr. President, colleagues. Good afternoon. I want to talk to my friends from greater Nebraska, both those in the room and those that might be watching on the television. In my eight years here, I have watched a number of proposals come across and through this body that would affect the viability and the depopulation of rural Nebraska. We've watched school consolidation bills pass through here where members stood up passionately to talk about what school consolidation means to their small towns. A couple of years ago, the Platte Institute had a report that suggested we consolidate counties. And again my friends from greater Nebraska stood up and opposed the idea that we would begin to consolidate counties because we would begin the demise of small communities across the state. And the same thing happened when we had a proposal to consolidate the courts. Members stood up passionately and said we're not going to consolidate the courts. As soon as you close the courts in my community, the community will atrophy. Same thing happened when we talked about consolidating judgeships or taking judgeships from western Nebraska and moving them east to the eastern part of the state. I can remember Senator Fischer in particular having a huge concern about what that meant to rural Nebraska. And today again, whether we recognize it or not, this bill is more of the same. If you want to close the post office and you have closed the school and you close the county hospitals in your small towns, no one is going to live there. There was an article Sunday in the editorial page of the World-Herald, talked about all the 30 and 40 year...something year olds that are moving back to rural Nebraska. They are not going to come back to a community that does not have a community hospital. You'll lose them forever. And the people that retire from the farm and move to town, they're not going to move to a town that doesn't have a hospital anymore. But we're going to lose some if we don't pass this bill. The federal government, when they passed the Affordable Care Act, they made a trade off. They said we're going to give less federal Medicaid dollars to the hospitals across the country in exchange for having more people insured under expanded Medicaid. And the Supreme Court essentially de-coupled that bargain. And so these hospitals across the state are going to lose a whole bunch of funding--DSH payments, one thing or another. Probably somewhere, I'm doing some rough math, maybe \$220 million a year. And the estimate is that we'll lose 15 hospitals across the state. Okay. Fifteen hospitals. And they're not going to be in Omaha, and they're probably not going to be in Hastings and Grand Island and Scottsbluff and Norfolk. They're going to be in those small towns that you come from, that you represent. And when they're gone, that will begin the beginning of the end for the community they leave. This is as much about Small Town, Nebraska, the viability of Small Town, Nebraska, as anything we've dealt with or as much about access to healthcare in those communities after those hospitals have closed. And here's another thing. [LB887]

SENATOR KRIST: One minute. [LB887]

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SENATOR LATHROP: After a number of these small town hospitals don't have the Medicare money they had formerly and we don't replace it with more insured people, they're also going to cut services. And when they cut services in a small hospital, maybe it's a birthing center, but who's going to...what young family is going to live in a small town that...where the hospital doesn't have birthing? Or maybe it's a different service. Maybe it's one that you are particularly concerned about. But in the end, colleagues, in the end this bill is as much about the viability of rural Nebraska and those small towns that that editorial recognized as growing, and where are they going to be without a hospital? What's your argument going to be if you let the hospitals go to consolidating the courthouses? [LB887]

SENATOR KRIST: One minute. I'm sorry, time, Senator. [LB887]

SENATOR LATHROP: Thank you. [LB887]

SENATOR KRIST: Senator Cook, you're recognized. [LB887]

SENATOR COOK: Thank you, Mr. President, and good afternoon again, colleagues. I rise in support of Senator Campbell's reconsideration motion and welcome the opportunity to continue some of the testimony that I wanted to offer because, clearly, if I had finished, the vote would have come out differently for the amendment. So thank you for that opportunity. Earlier in the session, this body was extremely supportive to my bill proposal LB359 which addresses the cliff effect of people working, receiving even an extra shift or some sort of additional offer of a raise or additional money and losing their child care subsidy, basically forcing them to stay on public assistance. I would offer that with this proposal the opportunity that we have as Nebraskans, presented in LB887, we are addressing a similar cliff effect issue. I'll continue with my testimony. Importantly, families that are currently receiving cash assistance from the state through Aid to Dependent Children will be able to accept a higher paying job or take a raise. This is because, although they are graduating off of ADC, their family would not lose their Medicaid coverage. Passage of LB887 will help end the reality that Nebraskans who earn raises are having to turn down because the increase pushed them out of eligibility for Medicaid, which may be an alarmingly low number, for those of us in here who are fortunate enough to not be receiving Medicaid, the 49 of us, the citizen legislators, that number for a family of three, colleagues, is \$20,000 per year. That's to support an entire family. You push a family over the very low eligibility threshold for Medicaid coverage at that number. And what I would remind you of is some arithmetic that I was reviewing while we were...while I was waiting for my turn to come up again. Let's say you're working, let's use the example of a certified nursing assistant that Senator Burke Harr mentioned earlier, supporting two children, currently operating as a single parent. Let's say she moves up, gets an opportunity to get an hourly wage that kicks her out of eligibility for Medicaid. That bump, ladies and gentlemen, is certainly for those of you who pay insurance premiums, that bump is certainly not enough to put her in contention

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for the private marketplace. We need this proposal to go through for Nebraskans, once again, working Nebraskans. LB887 also includes a provision to strengthen and encourage more Nebraska employers to offer health insurance to their low-wage workers. Under the terms outlined in the legislation, employees with access to employer-sponsored insurance will get help with their premiums. So this helps Nebraska employers, colleagues, in addition to helping hardworking, low-paid Nebraskans. This will keep them working and give them the security that health insurance affords us. I wanted to use that time to reinforce the idea that we are addressing a cliff effect and to reinforce the idea that this body has previously shown an interest in supporting working families as they seek to move up and off of assistance. [LB887 LB359]

SENATOR KRIST: One minute. [LB887]

SENATOR COOK: Thank you, Mr. President. I would like to also talk to the issue of public health. You've heard me talk about it on the floor before. I feel that I have had a great opportunity and certainly my pleasure to advocate on behalf of the issue of public health across the state, whether that is public health in terms of expanding the infrastructure for public health in this state, or public health as it relates to eliminating health disparities between minorities, and urban/rural health disparities as well. What Wellness in Nebraska offers is that, just like our state plan, it emphasizes activities that have been shown to help prevent disease and reduce healthcare costs. For those of you who are familiar with the state's plan to maybe purchasing into that for yourself or your family, there is a reduced rate at which you can participate in the state of Nebraska's plan if you check in with a health coach, exercise, include yourself in a smoking cessation program, things like that. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR COOK: Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Cook. Senator Karpisek, you're recognized. [LB887]

SENATOR KARPISEK: Thank you, Mr. President. I'd like to yield my time to Senator Campbell. [LB887]

SENATOR KRIST: Senator Campbell, 4:55. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, I want to return to the amendment that we will be asked to reconsider. And I want to explain a little bit about this amendment and why we need to do it. In essence, if you take a look at...it's page 29 of the underlying committee amendment, on line 19 the Wellness in Nebraska Oversight

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Committee shall oversee and monitor the Wellness in Nebraska Act, including but not limited to reviewing information from the department. And then it has a statement participating with the department in negotiating with the Centers for Medicaid and Medicare Services. This is of note like a technical amendment because you can only have one branch negotiating with the federal government. This is just like there can only be one entity that deals with Medicaid. That's the designated for each state. And at this point the department is the designated responsible party to deal with the Centers for Medicaid and Medicare. And so we need to strike the phrase participating with the department in negotiating with the Centers for Medicare and Medicaid. We've had to do this in a number of areas on bills. I remember we...I think we made it very clear in one of Senator McGill's bills in terms of when we were working with transition of youth. We have to have one entity. It's like Senator Krist had to, this morning, clarify in his own bill that the probation office was a surrogate, could work with it, but the department was the one and only that could deal with Title IV-E. That's exactly the same situation that we're trying to deal with here. I would say it's more of a technical amendment because you want to make sure you've only got one entity. And I wasn't very clear when I introduced the amendment. I also wanted to mention to all of you, the handout that you have with the colored circles, the colored circles are a part of the Medicaid annual report. And so those who watch Medicaid and what's happening with that program in the state of Nebraska always take a look at these circles. On the top, the circle in the upper left would show you what currently is the distribution by eligibility category. And you can see there why it illustrated the point that I discussed earlier that children are the greatest number of people on Nebraska Medicaid. If you go to the upper right, then it gives you an idea in FY '16 and '17, if you see the green there, that is the population that would be added through WIN. The lower left gives you the dollars, the state dollars, that go into that. And you can see that it is almost flipped. The children become a much smaller portion, but the purple is the blind and disabled and they take up almost half of that graph in terms of the dollars. And a lot of times when we discuss Medicaid, we'll also take a look at the yellow portion, so age, blind, and disabled because a lot of the services that might be necessary for one of those populations is for another. If you then look at the lower left circle, what we tried to do was look in FY '16 and say if we insert the dollars, the General Fund dollars, that would be necessary... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President...for that population, and you can begin to see that the green now represents a very small sliver of what those state dollars are. And I think that's part of what we're trying to convey here, is that you can bring in that population, but you have a partner in the federal government. We've always had a partner since 1965 in Medicaid. So we felt the chart was important for you to see what we watch in terms of Medicaid and how it would be affected by WIN. Thank you, Mr. President. [LB887]

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SENATOR KRIST: Thank you, Senator Campbell. Senator Wallman, you're recognized. [LB887]

SENATOR WALLMAN: Good afternoon, Mr. President, members of the body. I'm proud to be an American, ashamed to be a Nebraskan. I know the wrong president won for many of you people for affordable care. Who wouldn't be for affordable care? Who? Raise your hand. I see a bunch of no voting, not voting, not voting, not voting. I'm proud to cast my vote. If you're ashamed to vote, I guess that's your fault. But, folks, if you know...I have a person in my church has spina bifida, and that young girl has to be taken care of by the Shriners. Thank God for the Shriners, because they take care of people when you don't have any money. So why would anybody be against Affordable Care Act? It's beyond me. I cannot understand it, but just a plain and simple farmer. Thank you, Mr. President, and I'd yield the rest of my time to Senator Nordquist. [LB887]

SENATOR KRIST: Senator Nordquist, you've been yielded 4:55...3:55. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President and members. And Senator Lathrop...thank you, Senator Wallman, for yielding the time, Senator Lathrop was talking about the impact on rural Nebraska, and I know those words may ring hollow to some right now, but I guarantee you if we do not take action on LB887 those will not be hollow words in this state. And we have seen the implications in other states. I'm going to read from an article out of Bloomberg from the end of 2013. At least five public hospital closures this year and many more are scaling back services, mostly in states where Medicaid wasn't expanded. Three of the hospitals that closed were in Georgia. Actually, a fourth...this was from the end of last year, a fourth hospital, rural, critical access hospital in Georgia closed in February. They've had four hospital closures in the year. The others were in North Carolina and Virginia. Those hospitals, and more than a dozen others, have dismissed workers this year citing reduced federal subsidies and the lack of Medicaid expansion. As many as 15 more rural hospitals in Georgia may shut within months due to revenue pressures, said Jimmy Lewis, CEO of Hometown Health, which is a Georgia-based network of rural hospitals. In the state of Tennessee, a survey of hospitals said almost half of the 61 rural hospitals will face major cuts or closure without Medicaid expansion. Folks, the vote at the end of the day when it comes up whether it's tonight or tomorrow morning, you're going to be on record. You're going to be on record when those hospital closures come to Nebraska. Just remember that. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Wallman and Senator Nordquist. Senator Crawford, you are recognized. [LB887]

SENATOR CRAWFORD: Thank you, Mr. President. And I want to just, again, I wanted to make sure we were addressing concerns that were raised to us and I wanted to continue to do that for all my colleagues who have some concerns and are still listening.

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I want to make sure we're addressing all of their questions, all of their concerns. And one of those concerns that was raised is...and we've heard it a couple of times here, is the question of whether or not the people we're talking about Wellness in Nebraska are working. And I just want to reiterate that 84 percent of those who are uninsured are working. And also we heard some stories from people who came to testify, many of them were working people who talked about how this bill would make a difference in their lives. And one of those was Oksana Kling who came, and she actually lives in Senator Nelson's district. She came and talked to us about how important Wellness in Nebraska would be for her because she's working and her husband is going to school. And actually she had just...her kneecap had broken loose after suffering a fall and she was unable to afford the surgery that would allow her to recover. And she spoke very movingly about the fact if she could just get this surgery and recover, she would be back in the work force and then she wouldn't need Wellness in Nebraska anymore. She'd be making enough. But right now she's in this gap, has fallen into this gap, and she cannot get the surgery she needs which could then lead her to fall...to continue to be in a gap and then maybe force her to actually lose even more of her income and be disabled. And we would be paying even more for her if she was unable to get this help. She's in a temporary situation. She needs help so that she can contribute even more in the state of Nebraska. That's just one of the stories that we heard about how important this is for the people who currently fall in the gap, and many of them will not be in this gap for long. They're just going to use this gap and then move out. And another important piece that we saw in terms of what this means for people across the state of Nebraska is what it means really for small businesses. And an e-mail I got just this morning was from a small business owner who has ten employees. And she talked about how important Wellness in Nebraska was to her, how much she cared about it passing, because one of her own employees was now out of work and she did not have access to him because he had delayed care. So this again is a small business owner who has lost one of her valued employers (sic) who is not able to contribute to the business because he delayed healthcare because he did not have health coverage and would have under Wellness in Nebraska. Wellness in Nebraska would allow people who want to be entrepreneurs, start businesses, to have this safety net for when they're starting their business and may not make as much money in the first few years. We talked also in the...speaking of rural economic development, we heard some very compelling testimony about the fact that many of the small businesses in rural areas are ones where the wages fall into this gap area. And so we have opportunities for people to stay in their small town rural Nebraska to work for an employer or to come back to those small towns in rural Nebraska and start a storefront business and hire people and be able to hire people and know that their health insurance is cared for instead of being reluctant to hire someone because you're worried about not being able to offer them health insurance or not being able to hire someone because they're going to go work somewhere else where they know they're health insurance is covered. So those are just a few of the stories that we heard in terms of how important it is to pass... [LB887]

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SENATOR KRIST: One minute. [LB887]

SENATOR CRAWFORD: ...Wellness...thank you, Mr. President, how important it is to pass Wellness in Nebraska to help and support those people who are working and to help and to support entrepreneurship and small businesses and communities all across our state. Wellness in Nebraska is a win for those small businesses and it is a win for entrepreneurs who want to start their own businesses across our state to give them a safety net just in case those first couple of years are pretty rough. They know they will not be putting their health or their family's health in jeopardy. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Crawford. Senator Dubas, you're recognized. [LB887]

SENATOR DUBAS: Thank you, Mr. President. Let's put a face on what we're talking about today, and I think Senator Crawford got started on that with sharing some of the stories. But let's talk about the people who are working, maybe not just working one job but two jobs or even three jobs just so they can take care of their families. That's who we're talking about here. In my legislative district, I have over 13,000 households. Of those 13,000 households, about 2,500 of those households under the age of 64 are making less than \$25,000 a year. I don't consider the vast majority of those households people who are out trying to game the system or take advantage of the system. I consider the vast majority of those households are people that are playing by the rules, they're working hard, they're trying to do everything that they can, but yet they are struggling and they are struggling especially in the area of trying to access medical care, something that none of us should ever have to deal with making a decision about whether I should or shouldn't go to the doctor. But what does this mean to our rural hospitals? And I know Senator Lathrop and Senator Nordquist and others have mentioned that, and to me that's the biggest driving force behind this. What does this mean to our rural hospitals? And those are hospitals that all of us rely on and it doesn't matter if you have insurance or if you have the ability to pay your bills or not. These are hospitals that provide access to medical care. Nebraska's rural counties have lower health insurance coverage rates than our more urban counties do. Our rural counties have 15.5 percent uninsured rates. Conservatively estimated, that's nearly one in five households under the age of 65 in rural legislative districts that would qualify for Medicaid expansion under LB887. Those are households that now would have access to the resources so that they could go where they need to go and get the help that they need to get. I reached out to the hospitals in my district, I have a couple of smaller hospitals in my district, and asked them what does Medicaid expansion mean to you and your ability to keep your doors open. One of the hospitals shared with me the amount of uncompensated care that they provide, which with the passage of LB887 would certainly help alleviate those numbers. They're talking about over \$155,000 in uncompensated care. Some of them...another hospital up to \$300,000 in

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uncompensated care. I asked them about their ability to take care of a larger influx of patients should Medicaid expansion pass. They weren't concerned about it. They believe they are already seeing these patients. They're seeing them in clinics. They're seeing them in the emergency rooms, which is much more costly care. And, again, those costs come back to us, those costs come back to us in our higher insurance premiums. And if we're paying for these services out of our pocket, we're going to be charged more for them. They have two areas of concerns for patients that don't have insurance or Medicare or Medicaid. Number one, if they're healthy today but not getting the routine screenings, preventative care, immunizations, etcetera, that will help them stay healthy, they're going to end up sick. And sick care...and it was emphasized in the information that they sent me, sick care always costs more than wellness. If they have chronic illnesses that aren't being managed in the least expensive manner due to the lack of insurance or resources, those patients will be in the emergency room as I stated before. And more than likely will have multiple hospital admissions. Right now, our hospitals are being assessed by how many readmissions that they have. And in some instances are being penalized if they have too many...if their readmission numbers are too high. Chronic illnesses are a reason behind... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR DUBAS: ...thank you, Mr. President, a reason behind excessive readmissions. If we aren't getting to these people sooner, if we aren't getting to them...and it's the clinics where these people need to be seen, it's the hospitals that are paying the price for it. It's the clinics that have the ability to help reduce readmission rates. If these people can't get to healthcare sooner where we can get these illnesses under control, it's going to again cost our hospitals. If it's costing our hospitals, if we lose our hospitals, we certainly aren't going to be able to recruit more medical professions to come to whatever area we're talking about. So it's not just impacting those people who may qualify for Medicaid expansions. It's impacting each and every one of us. I don't want to lose the hospitals in my districts. I don't want to have...I'm already travelling 30 to 40 miles if I need to go to the hospital. I don't want to have to travel any farther than that. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR DUBAS: And that's what's going to happen. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Dubas. Those still wishing to speak: Senator Davis, Schumacher, Bolz, Campbell, Ashford, and others. Senator Davis, you're recognized. [LB887]

SENATOR DAVIS: Thank you, Mr. President, and good afternoon, colleagues. I wanted to bring your attention to a letter that I had received from the Gordon Memorial Hospital

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services director. It's pretty detailed and I think it's...there's some information that I'd like to go through. And this really refers a lot to the issues of rural healthcare, which we've talked about so many times. And I'm just going to kind of cut and paste through this letter, but each one of you has it. At the second to the last paragraph, the writer whose name is Joshua Kotter, he's got a JD and MBA and he's the CEO of Gordon Memorial Hospital, and he says this... he says: I'm very conservative personally and I am not a fan of Obamacare or similar programs. However, setting aside ideological politics, the unsavouriness of Obamacare, or related programs, as well as the political ambition driving some of our state legislators, expanding Medicaid in Nebraska is necessary in order, (1) to recover \$2.29 billion from the federal government which they will use to hurt Nebraskans in other ways, (2) to help keep our hospitals and economies going, and (3) to help ensure that healthcare continues to be available for all Nebraskans. I understand and emphasize with the difficulties that this bill presents to conservative people, and especially to conservative legislators who answer to conservative constituencies how aren't always perfectly educated on the issues. Regardless of this, the bare bones fact is that a vote against the WIN Act is a vote to close hospitals, to cause more Nebraskans to die who could be saved, to hurt our economies, and to support the liberal agenda of the federal government which does not have Nebraska's best interest at heart. This is from a conservative guy who feels very strongly that this is an important bill. I've had contact with all my hospitals and all my hospitals strongly support this, as do a number of physicians in the area because they know that this is good for Nebraska. I'm going to pull a few more quotes out of this and I think some of them are pertinent and I hope people will think about this a little bit. He says: I would like to point out that if the exact same issues involved in LB887 were being considered relative to ranching, farming, or corn subsidies, and by that we're talking about bringing millions and millions of dollars into the state each year in return for a possible cost to the state sometime in the future. So he says: if we were being considered in relative to ranching, farming, or corn subsidies, the Nebraska state legislator would be falling all over themselves to pass the bill. Don't you think that's true? I do. I see that all the time. We have chased all kinds of businesses for economic development purposes. We give them this; we give them that to come here. We have the opportunity to bring money into the state, help our rural hospitals, help our constituents, and our citizens and by gosh we're not going to do it because this is Obamacare and we don't want it here. Colleagues, this is not Obamacare. This is something new and different that is going to be here. Obamacare is the law of the land. The President is probably not going to go away for the next couple of years, so we're going to be dealing with that and it's a fact of life. So now I wanted to share with you a little bit more information from the hospital administrator in Gordon about the impact on that community and why our rural hospitals are so important to economic livelihood in rural Nebraska. Gordon Memorial Hospital employs 119.95 full-time employees in 2014. Now the population of Gordon is 1,499. So, you know, almost 10 percent of the people work for that hospital. The annual salary expense that's pumped into that community is \$5,338,700 out of a total taxable retail sale in Gordon of \$25,287,000. And the operating expenses are over \$10 million at the

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hospital. In 2013, 2 percent of all their accounts receivables were written off due to bankruptcies. In addition to that, they wrote off 16 percent of all accounts receivable and some of them are charity care, which was related to nonability to pay for the medical care provided. [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR DAVIS: The current overall payer mix is 48 percent Medicare, 14 percent Medicaid, and 15 percent third-party insurance. Senator Nordquist made a reference earlier to reduction from 101 percent of reimbursement costs for critical care hospitals down to 98 percent. You think that's going to really hurt Nebraskans? It's going to hurt rural hospitals. Through Medicaid expansion, we have the ability to move forward with that and recoup some of that money. And I probably will talk again on some of these issues. I've got some personal stories. When Senator Campbell introduced this discussion today, she talked about one of my constituents who came down and testified at some of the hearings who was in the donut hole. This is a woman who has a lot of assets but no income, so she's not able to get subsidy and she's not insurable otherwise because of preexisting conditions. Colleagues,... [LB887]

SENATOR KRIST: Time. [LB887]

SENATOR DAVIS: ...this is just really not that hard. You need to step aside from the political ideas that you have and say this is really good for Nebraska. That's what this is about and that's what we're sent here to do. We're sent here to do the right thing for Nebraska, whether it's hard politically or not. [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR DAVIS: Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Davis. Senator Schumacher, you are recognized. [LB887]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Will Senator Chambers yield to a question? [LB887]

SENATOR KRIST: Senator Chambers, would you yield? [LB887]

SENATOR CHAMBERS: Yes, I will. [LB887]

SENATOR SCHUMACHER: Senator Chambers, how many years have you served in the Legislature? [LB887]

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SENATOR CHAMBERS: Thirty-eight and this is my thirty-ninth. [LB887]

SENATOR SCHUMACHER: And, Senator Chambers, in those 39 years, how many times has a measure come before the Legislature which involved cash coming into the state at a rate of \$300 to \$400 million a year? [LB887]

SENATOR CHAMBERS: Well, there have been innumerable times when money came. I couldn't give you the exact amount, but I'm not aware of there being a rejection of that money. [LB887]

SENATOR SCHUMACHER: Thank you, Senator Chambers. Fellow senators, this is fairly extraordinary in the amount of resources that are involved. And it's going to take our very best thought and contemplation and soul searching in order for each of us to make our decision ultimately on that. But we're not there yet. The Legislature is a deliberative body. At best our tools for cranking out complex legislation dealing with billions of dollars over time are very crude. And when a lot of work has gone into a piece of legislation to bring your proposal so that we can vote it up or down, we need to give the sponsor of that legislation an act of comity. When that sponsor looks over the legislation and says, oh, there's a technical flaw here, this could be phrased better, we owe it to each other to give each other that leeway regardless of how we feel about the underlying piece of legislation. We owe that kind of effort, that type of complexity the ability to make changes, tweaks, minor alterations, to put a bill in position to be honestly voted on, up or down. There's a lot of effort been into this bill. There's a lot of work. There's a lot of thought. There's a lot of money. And we simply owe it to our fellow senators to allow them to make these kind of minor adjustments on the floor to position the vehicle for either a crash or for crossing the finish line. For no other reason than the legislative process, the deliberative process, the responsibility that we owe to each other, we should make this minor amendment to the committee amendment so that we then face that choice with a red or green button. That's where the decision should be made, not with trying to hamstring hard work and honest people in the attempt to develop real legislation of significance. We owe this to our colleagues, to allow these kind of amendments so that we have something to vote on in good conscience. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Bolz, you're recognized. [LB887]

SENATOR BOLZ: Thank you, Mr. President. I, too, rise to commend the individuals who have worked so hard on this paramount piece of legislation, and I appreciate the comments of Senator Nordquist and his thoughtful approach to the financial side. I appreciate Senator Gloor and his approach to building a better medical system. And I certainly appreciate Senator Campbell and her detailed, thoughtful analysis in putting together this bill. But I rise to echo what I think is the heart and soul of this piece of

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legislation which has been articulated by Senator Crawford and Senator Dubas, and that is the people of Nebraska. One of the things that I promised in my campaign was to work to protect the health and well-being of women and children. I believe that LB887 is very much in line with that promise, both because of the access to healthcare it provides for women and because of the access to care provides to the mothers and fathers and caretakers of children. In Nebraska, between 11 and 16 percent of women of childbearing age are uninsured, and two-thirds of the population eligible under expanded Medicaid are those women. Studies have shown that a lack of access to healthcare for women causes delay in needed health treatment, including preventative and sick care. For women of childbearing age, this means missed opportunities to improve their health before pregnancy. The March of Dimes reminds us that protecting women's health is protecting baby's health. Women of childbearing age could benefit from preventative care, such as nutrition counseling, blood pressure monitoring to make sure that they're healthy for pregnancy. We currently have an 11.1 percent premature birth rate. Colleagues, we can do better than a one-in-ten premature birth rate in Nebraska. Access to care can help more babies be born healthy. Beyond this, one of the populations that is central to the coverage that will be provided under LB887 is parents and caretaker relatives. Last fall, I held an open house for my constituents to help them understand what the health insurance changes that were happening in the states meant to them. I had a couple who were the parents of five children. They both worked full time and they fell into the coverage gap. The look on their faces has stuck with me because what they want most, what they believe that their duty is, is to care for the well-being of their children and their family. And their fear about the loss of their health and the inability for them to care for their children was something that I can't forget. My constituents have asked me to protect, to prioritize, to remember that the health of women and children is a priority in this state. In fact, one of them came to the Capitol, asked for a meeting with me, walked me up to this floor and pointed out that the statues that we look at when we cast our votes are the statues of a woman and a baby and a man. And she told me that they were symbolic of a reminder to me that the most important thing that I was to do in this building to was to protect Nebraska families. I believe that LB887 is about family values. I believe it's about protecting the well-being and health of women and children. And I do believe it is what my constituents and what Nebraskans want and believe in. Thank you, Mr. President. [LB887]

SENATOR KRIST: One minute. Thank you, Senator Bolz. Senator Campbell, you're recognized. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President. And I'm going to ask for the pages, if we have several pages that might go up, I want to distribute to you some information from the percentage of noninstitutionalized population by district, and it is the descending order. And so if the pages would mind handing that out. What I want to talk about here is we've had a lot of discussion in the past couple of minutes about rural health and what would be affected. And once again I have relied upon the information

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that comes to all of us from the State Planning Committee. In the updated version which apparently we just got last Thursday there's a number of tables and so forth. And I'm not sure this table is in the book, but it was in the information distributed to the State Planning Committee. And what is interesting about this is that you will begin to see that it gives you information by district. So what we're trying to show in Figure 16 is the percentage of civilian noninstitutionalized population with no, with no--will emphasize--health insurance for Nebraska legislative districts. And here what our researchers and data people did for us is they looked over a combination of years in 2008 to 2012. And a number of people would say, well, golly, if I looked at the top ten it's probably mostly urban. And if you started guessing about who might be on that list, we'll start down from the top and we'll give you, number ten or the top one--we'll work in reverse--District 7, the largest number of uninsured is Senator Nordquist. So it is no surprise why Senator Nordquist has been an able partner with me in looking at this issue. In the number 2 spot, District 5, Senator Mello. Not surprising, again, an urban area. Third spot, Senator Chambers, District 11. But then we come to District 17, and that would be Senator Bloomfield. District 9 is Senator Howard; District 35, Senator Gloor; District 48, Senator Harms; District 13, Senator Cook; District 43, a speaker who just took the mike and explained on rural health, Senator Davis; and District 28, you are in District 28; it is Senator Avery's district. It's where the Capitol is. You can go on down and I can read you the next ten. It goes: Senator Coash, Senator Schilz, Senator Wightman, Senator Harr, Senator Conrad, Senator Dubas, Senator Seiler, Senator Lathrop... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CAMPBELL: ...Senator Scheer--thank you, Mr. President--Senator Schumacher. That's the next ten. This is not all urban. This is not all Omaha. This is not all Lincoln. This is across the state of Nebraska. And so we all need to recognize the number of uninsured that are in our legislative districts. And for me, I'm third from the bottom, I'm District 25. But that doesn't mean that I don't care about all the other districts above me and the people that are represented in those numbers. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Campbell. Senator Ashford, you are recognized. [LB887]

SENATOR ASHFORD: Thank you, Mr. President. I'm just going to go through a few items that strike me as being important, at least in my analysis of this. One of the first ones is the fact that in the bill, not the amendment, and the amendment is very narrow in its application, as Senator Campbell has explained, and certainly deserves a yes vote so that we can move on with the bill. What I hear people say generally, not as it relates to ACA or any other federal law, is...that's being discussed nationally is that everybody should pay something for their healthcare. This bill does that. The underlying bill

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requires a 2 percent copay for those who would qualify under the WIN program, which is an important...is important. But the second item that I wanted to talk about is my history in dealing with these issues, and it goes way back. It goes back really to...not at the beginning of Medicaid, but maybe ten years after Medicaid started in the mid-'80s to the mid-'90s, early '90s, when we, on a number of occasions, dealt with an expansion of Medicaid programs on the state level. And one of the most significant ones was the, for example, was expanding coverage for pregnant women to 180 percent of poverty. We also, after I left in 1998, of course we all know about the CHIP Program. The CHIP Program, also a Medicaid program, was expanded again just a few years ago with Senator Avery's bill to 200 percent of poverty. So in the CHIP bill we were dealing with children in poverty, up to 200 percent, and this body adopted that, and when I was here before when we did the pregnant women expansion of Medicaid to 180 percent of poverty, that was a very positive idea. It was adopted with very little opposition, as I recall. And so here we are again with a federal program that pays 100 percent and then at some point down to 90 percent. The state's contribution goes from zero to \$15 million, \$20 million, but \$60 million over--again, I don't want to get my years all mixed up--seven or eight years. That's a healthy amount of federal dollars, as Senator Schumacher has suggested, coming into the state, but it's just not flowing into the state. We're not just taking federal dollars, tax dollars, and just spending them willy-nilly. We're taking care of a very, you know, a very selective group of people who are not insured in our society and we're providing healthcare for them. The point I'm making here, and I thought that...the third point is Senator McGill's point, which I'm not going to go over again because she made it so clearly and graphically, and that is if we adopt this bill, we will have an immediate savings in our Corrections Department of around \$750,000 to \$1 million a year just in Corrections because we do have a waiver here dealing with certain incarcerated individuals for Medicaid. It's a small group, but it is an exception that we have in our...that we've been able to...that was passed, I don't recall the year, but applies to allowing Medicaid to certain incarcerated individuals who receive medical services, I believe, outside of the facilities. So we have a history throughout our years I've been involved in the Legislature, since 1987, of very prudently,... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR ASHFORD: ...very, very prudently and slowly expanded the reach of Medicaid. The Sebelius case, the NFIB v. Sebelius case, acknowledges that you cannot tie the loss of Medicaid benefits to the requirement that you adopt this bill. So this is apart from ACA, apart from the overall healthcare law. We are simply, in my view, expanding, as we have done on many, many occasions with significant support of the Legislature and Governors, we have been able to provide medical care and coverage and, in this case, 2 percent payment by copay by those over, I think, 50 percent of the poverty level. This is a solid approach. It is consistent and precedential. It's federal money for the most part. The state budget is tapped a very small amount. This is not radical. This is not crazy. This is what we have done over and over again since I've

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been in this body. I would... [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR ASHFORD: ...urge the adoption of the amendment and move forward with the bill. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Ashford. Senator Nordquist, you're recognized. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President. Senator Ashford made some great points about the decisions that we've made in the past to expand. It was a couple years after the federal enactment of Medicaid that we entered into it. I'm sure the debate was much like we're hearing today that it will...or we've heard over the last year that it will bankrupt our state and we just can't do it. But you know, where would our disabled citizens, where would our blind citizens, our children when we expanded the CHIP Program, and our pregnant women, where would they be today without that program there to take care of them and meet their needs? I want to just talk about the economic impact of this. And Senator Schumacher did a find job. If we look at the number that the fiscal note is saying, we would be returning about \$2.1 billion between now and 2020, not getting free money from Washington, returning Nebraska taxpayer dollars to Nebraska. Again, these dollars are gone and we have the choice before us with LB887 to return those to our economy or not. And we can trust the folks in Washington, I guess, to spend it the way they want or we can bring it back and invest it in our healthcare system, \$2.1 billion. The University of Nebraska Medical Center has talked about the jobs impact of that through an economic study, 10,000 jobs with...including spin-off jobs, but many of those are in healthcare. And if you go back to 2010, there was a study done for the state, often referred to as the Battelle study, the Battelle study which was done for the Nebraska Department of Economic Development, and it looked at the industries that our state should be focusing on. And they identified 12 what they call cluster industries, and 1 of those cluster industries is health services. It's how we grow our economy into the future. These are the drivers of our state's future economic growth. And the dollars, the \$2.1 billion, we just don't get those. Money just doesn't rain from heaven and we just, you know, put it in the middle of the room and light it on fire. That \$2.1 billion goes to pay for healthcare services, which means we're paying for healthcare providers, which means we're creating jobs, creating economic activity. And the Battelle study also said, and it obviously makes sense, that health services is a widely spread industry cluster in Nebraska, which means that it's spread across the state, as our population is. It would make sense that the health services then would be spread across our state. That this is a positive economic boost to our economy--right now we have about 54,000, 57,000 Nebraskans employed in health services. This \$2.1 billion influx of our tax dollars that we're paying will increase that number and that is what the Battelle study pointed to as one of the positives that can create economic

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growth across Nebraska. Now that \$2.1 billion also creates tax revenue. Obviously, an influx of \$2.1 billion creates economic activity as we pay doctors, as we pay nurses, as we pay other healthcare professionals. And UNMC did a study which showed that's about \$100 million between now and the end of the decade. I don't know if you remember the fiscal note number, but that was \$60 million. If we wanted to use dynamic forecasting, which we don't in this state often but certainly gives us a good reference point, the revenue generated from that influx of federal taxpayer dollars coming back to our state is a net positive. But it's easy to get lost in the numbers and I think it's important... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR NORDQUIST: ...that we keep talking about the individuals here and the values that we hold. And I want to read just two statements from governors across our country. Rick Scott, the Governor of Florida, said: While the federal government is committed to paying 100 percent of the cost of the new people, I cannot in good conscience deny the uninsured access to care. And then another conservative governor, John Kasich from Ohio, very deeply rooted in Christian values by saying this: I cannot look at the disabled, I cannot look at the poor, I cannot look at the mentally ill, I cannot look at the addicted and think we ought to ignore them. For those who live in the shadows of life, for those who are least among us, I will not accept the fact that the most vulnerable in our state should be ignored. We can help them, from a very conservative governor from the state of Ohio who did move forward to help their citizens. We can do that with LB887. Thank you. [LB887]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Conrad, you're recognized. [LB887]

SENATOR CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I rise to clarify the record in some regards as to some of the opposition arguments and then to discuss some additional points of consideration on a policy basis. There seems to be a misunderstanding that somehow or another the funding associated with Medicaid expansion, as part of the Affordable Care Act, is based on President Obama's promise. And, friends, nothing could be further from the truth. It's adopted, established federal law, as passed through both houses of Congress and upheld by the United States Supreme Court. So again, we can have philosophical differences on this and other issues, but I do think that's important that we're accurate in terms of what the current status is of the federal law that's impacted or implicated with LB887. I also want to talk a little bit about some of the misunderstanding surrounding the federal government's failure to keep its promises or to fund their share of cooperative programs over the years. And I know that since its inception, Medicaid and Medicare are over 40 years old at this point in time, in fact that's never been the case. The federal government has always met their responsibilities in terms of funding for this important program. And in

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fact, in fact, in times of economic crisis they've increased their responsibility and share to help states shoulder the burden. You can look no further to this very example during a recent economic downturn wherein U.S. Senator Ben Nelson advocated and helped to adopt an increased and enhanced FMAP that helped the state of Nebraska and all states weather very difficult economic conditions by lessening their state obligations in the Medicaid program. So I think that's important to point out as well. The other thing that I wanted to visit a little bit about was the sustainability of this program. People seem to think, based on some of the e-mails and communications my office has received, that Medicaid is somehow out of control and part of explosive growth. And, friends, the facts just don't back that up. In fact, from 2008 till 2012, Nebraska Medicaid spending on healthcare services has been controlled significantly and grown at an average annual rate of only 2.2 percent. The citation for that is not from me; is from DAS, Department of Administrative Services in their budgetary report from 2012. There's a great example of the controlled growth in terms of the Medicaid program. The other thing that I think is important to note in relation to growth in Medicaid is that it's not just some arbitrary inflation or expansion. Any sort of growth has been based upon deliberative debate and policy choices that the Nebraska Legislature has chosen to enact, whether that's in relation to income eligibility for pregnant women, whether that's in relation to prenatal care, whether that's in relation to children's health insurance, or other categories of eligibility. So I think that it's, again, important that we are crystal clear in our facts. The final point that I'd like to pose to each of you at this stage in the debate is serious. I'm interested to know whether or not opponents believe the coverage gap that currently exists... [LB887]

SENATOR KRIST: One minute. [LB887]

SENATOR CONRAD: ...which over 54,000 Nebraskans are caught in right now, do you think that's a serious public policy problem? And if you do, what are your solutions? What bills have you brought forward? What interim studies have you conducted? What amendments do you plan to file to this legislation to address the coverage gap that exists for 54,000 working Nebraskans? Do you think it's a problem? If you do, what have you done to address it? And I want to commend Senator Campbell and many senators who have given countless hours to formulating this legislation and doing the hard work and digging in and doing the research and building consensus and reaching out to opponents, which they did very seriously and very deliberately over last year. Based upon the Medicaid expansion proposal that we saw, they came up with a different and unique approach based on opponents' suggestions to... [LB887]

SENATOR KRIST: Time, Senator. [LB887]

SENATOR CONRAD: ...utilize a private sector approach. Thank you, Mr. President. [LB887]

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SENATOR KRIST: Thank you, Senator Conrad. Senator Coash, you're recognized.
[LB887]

SENATOR COASH: Thank you, Mr. President. Good afternoon, colleagues. You know, when we discussed this bill last year, I presided in the Chair for a lot of that; didn't get an opportunity to speak. Haven't been real forthright about this bill as far as putting it out there where I am, and so I wanted to hit my light because it's important that people know where I stand on this issue. You know, like a lot of us, I've been getting a lot of calls on both sides, all over the state have reached out on this issue. I've spoken to a lot of folks on this and I've heard both sides of this story of...I've heard compelling arguments on both sides. And I do understand the benefit to more insured citizens. I still share the concern that this may become another unfunded mandate and have real reservations about provider capacity. Those are the main arguments that I've been given on both sides of this issue, but it's a different story that's got me to where I am. At the end of the day, I have to make a decision about priorities for Nebraska citizens, and Medicaid, in my mind, was originally designed to help our most vulnerable citizens, most notably people with disabilities, the aged, the blind. And I feel that where we ought to focus our reform efforts is on a system to extend care to critical services for people with disabilities. But I'm concerned that what we have in LB887, it prioritizes coverage for those who can work over the needs of people with disabilities. So while researching this, I started to wonder, okay, so how many people with disabilities are waiting for services here in our state. As of last year, 21,024 people with disabilities are waiting for services on home- and community-based services right here in our state, and that's across the state. And these citizens are, in my mind, the vulnerable of the vulnerable. Most cannot work. Many don't have anybody to look after them. And if Nebraska had a blank check and was going to cover services for people with disabilities who needed them, that check would be \$124 million. This year in our appropriations cycle we added \$5 million to put a dent in that, but that still leaves \$121 million that wouldn't...we would need to cover just to get people with disabilities the services that they need. So I've struggled with that. We're asked to make really tough decisions in this body and prioritizing those decisions is part of the process. And I'm struggling to find it appropriate to prioritize healthcare for people over people who can't work. The Medicaid expansion in Nebraska would expand coverage to able working adults with less emphasis on helping people with disabilities. Those are the people who Medicaid was initially created to serve, and I don't want to jeopardize the critical coverage for these vulnerable and needy citizens for whom this program was designed. So there's where I stand. I am struggling. I can't support LB887. It puts a group of people ahead of a line of a group of people who I've spent a lot of my time in this body advocating for. And it's not because I don't have compassion for people who are uninsured. It's because I have a priority...
[LB887]

SENATOR KRIST: One minute. [LB887]

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SENATOR COASH: ...of where I think our resources ought to be spent. When I get to make that choice, as presented in LB887, those are hard decisions to make, but those are decisions that we are sent here to make. Thank you, Mr. President. [LB887]

SENATOR KRIST: Thank you, Senator Coash. Those still wishing to speak: Senator Cook, Karpisek, Bloomfield, Wallman, Kolowski, Chambers, and others. Senator Cook, you're recognized. [LB887]

SENATOR COOK: Thank you, Mr. President, and good afternoon again, colleagues. I wanted to continue to rise in support of the motion to reconsider the vote on AM2437 to AM2032, but to also continue to talk about the importance of preventative healthcare, not just for the Nebraskans who are fortunate enough to currently have medical insurance through their employer or through a spouse and, in some cases, from my understanding, through the exchange. The WIN emphasizes wellness activities, and as Senator Conrad mentioned a little bit earlier, these are the selfsame activities described in the proposal that people who take part in the state of Nebraska's health insurance program are able to avail themselves of. I'm recalling some photographs, and I don't remember whether or not they were in the newspaper. They were probably in the on-line edition of the Omaha World-Herald or perhaps the Lincoln Journal Star, wherein our Governor, Dave Heineman, strapped on his athletic shoes, put a little pedometer in his waistband and went marching around the Capitol in support of this exact kind of measure that is included in LB887. So it strikes me as somewhat ironic that this kind of measure, which is included in LB887, would be promoted among state employees by the Governor, who has been very, very clear that he does not support the President. And however that can manifest itself in his day-to-day life, he's happy to promote that. This idea, which we want to include, is something that was promoted in Nebraska and then bragged about and applied for awards and got awards all over the United States for the exact same thing that we are promoting as part of LB887. It's not the only ironic thing that I observe among my colleagues today, just the one that is top of mind right now as I talk about public health and our commitment to it and whether or not we can exhibit any sort of consistency in what we exemplify in our work here in support of our citizens for something that is a true opportunity for them and not, as Senator Nordquist and other members of the Appropriations Committee have said, not a sacrifice for us at this time with the fiscal analysis. And with, if you would look at...if you don't want to read the bill, at least read the description, the section-by-section description, where it describes the opportunity for...actually, it activates an analysis by a future Legislature if the federal funding were to change, which, as Senator Nordquist has said, has never happened in the existence, the entire existence, of the Medicaid program since the Johnson administration. So public health, I would also like to speak in favor of something that Senator Gloor has worked hard on since his tenure in the Legislature started and something that I attempted to introduce in the body in 2011, and that is offering incentives for the care coordination that is also evident in the proposal before you. Care coordination, like that provided in patient-centered medical homes and in the

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proposal LB662, which I introduced in 2011 which would have been a pilot program for financial incentives to coordinate care, care coordination has been shown... [LB887]

SENATOR COASH PRESIDING

SENATOR COASH: One minute. [LB887]

SENATOR COOK: ...to reduce costs for treating diseases such as Type II diabetes by as much as 10 percent. And targeting vulnerable populations has been...also been shown to be effective. I mentioned earlier some statistics that are in your Planning Committee blue book that got distributed last week that in my district, Legislative District 13, the people who are noninstitutionalized, nonreceivers of healthcare coverage are 22 percent. I chose that number because those are my 18- to 64-year-olds who are in the work force. The number that is evident on the piece of paper that Senator Campbell showed to you, that's 14 percent. That's the population overall within my district. So I did want to clarify that. Once again, WIN emphasizes a holistic approach. This is the approach that when each of us is... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR COOK: Thank you very much. [LB887]

SENATOR COASH: Thank you, Senator Cook. Senator Karpisek, you're recognized. [LB887]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Thought about all sorts of things to talk about on this bill. We've talked about the constituents who have e-mailed or called. I had one constituent that e-mailed. He was a police officer, got some sort of infection, couldn't work; made sure to point out that they are very conservative Republicans. And I just kind of had to giggle a little bit because I said, well, that's kind of who's against this going forward, so you're kind of voting against your own best interests. However, I think it does display that, as I've heard before, when you don't need it, you don't need it. But if something happens to you and you need it, and you've said, I've paid my taxes all along, I've been a good citizen, I've done this and that and now I don't get anything, well, you didn't want anyone else to have it. I also look at the actual people. These are real people. These are people who are working. I keep hearing, why don't they go get a job? These are the people that have a job. These are the people who probably work at fast foods, retail places. When I had my business, I couldn't afford to pay for my employees' healthcare. I could barely afford to pay for my own. So when we talk about who is going to benefit here and some of...everyone thinks that it's just the people in Lincoln and Omaha that don't work, you're so wrong. These are people who are probably working very minimal-wage jobs in small towns all over Nebraska. Those are the people that could get some help. I had one very good friend of

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mine that worked for me. I couldn't afford his health insurance. He couldn't afford his health insurance. His health, I'm sure, suffered greatly. I hope that he's gotten health insurance now but I don't know. He's gone to work for a large retail place that I'm sure doesn't provide health insurance either. So in the end, what good is it going to do? These people are going to be sick, they're going to be into the hospitals more and still not be able to pay for it. Who picks that up? We do in premiums on health insurance; we do through county aid to hospitals; and we do just in the personal tragedy that it can create. Going home tonight any one of us could be in a bad wreck. Hopefully, our life...or health insurance--life insurance probably too--is going to be okay. But it may not be, and then where is our family going to be? It's a scary, scary thing. But we talk about wanting to help. We also talk about how the state has so much money so we should give it back to people, but then on the other hand we can't afford this. So which one is it? We either have so much money we want to give it back, or we don't have enough money to help in this way. I will say I am not a... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR KARPISEK: ...huge Medicaid fan. I think there is abuse in the system. I think there should be drug testing and I think that the people who could work should go out and do something to receive it. But I also think that this is a very good idea to help those people who are trying. We're already covering the people that aren't, and I have a problem with that. This is trying to help the people who are trying and I think that we need to step up, talk about our Nebraska values, and help those among us who aren't quite as fortunate as others. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Karpisek. Senator Bloomfield, you're recognized. [LB887]

SENATOR BLOOMFIELD: Thank you, Mr. President. Good afternoon, approaching evening, colleagues. Senator Coash said that he spent enough time in the Chair last year that he didn't get to express himself much on this, so he wanted to make it clear where he was. I believe I expressed myself on this last year and I want to make clear again where I am on this. I am opposed to LB887. My e-mails coming in to my office are running about three to one in opposition of LB887. My e-mails from within the district are running about five to one against expanded Medicaid. I have spoken with several doctors, eight or ten, and I have yet to find one that supports the expansion of Medicaid. I cannot in good conscience vote to foist this on the people of Nebraska, so I will continue to oppose it. But I do wish we had Senator Wallman's industrial hemp bill. We would have saved a lot of trees with the amount of paper that's been passed around on this bill. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Bloomfield. Mr. Clerk, you have items?
[LB887]

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CLERK: I do, Mr. President. Thank you. Enrollment and Review reports LB946 to Select File. New A bill, Senator Brasch. (Read LB1093A by title for the first time.) Senator Brasch offers LR494; Senator Janssen, LR495; those will be laid over. Amendments to be printed: Senator Mello to LB905; Senator Chambers to LB905. (Also, an amendment by Senator Janssen to LB987.) That's all that I have, Mr. President. Thank you. (Legislative Journal pages 934-940.) [LB946 LB1093A LR494 LR495 LB905 LB987]

SENATOR COASH: Thank you, Mr. Clerk. Senator Wallman, you're recognized. [LB887]

SENATOR WALLMAN: Mr. President, members of the body, I'm just reading a letter here, what Senator Crawford gave to me from The Arc of Nebraska, and they'd like to reiterate our support for the Wellness in Nebraska which provides healthcare for the hardworking, low-income Nebraskans: The Arc and the members we represent have seen the benefits of Medicaid in Nebraska, seen life changed and saved as a result of the current Medicaid program. The Wellness in Nebraska Act will provide these health benefits to more Nebraskans and improve the health of our state. The Arc has heard the arguments that the Wellness in Nebraska Act will take away from those that are currently served by the Medicaid program, and specifically that this bill would hurt Nebraskans with disabilities. This argument is misguided and The Arc and our members firmly believe that the Wellness in Nebraska Act will not take away from the healthcare of our members and will actually provide care to a broader group of our members. So The Arc represents a disability and I am also a champion for the disability. And a friend of mine who's a farmer, his wife got MS, and pretty soon he could not afford their premiums. So if he didn't have...he cashed in some assets, moved into a house in town, and he's going to have a tough time till his wife can get on Medicare, plain and simple. And I know people who have car accidents with brain injury, and when you get out of the hospital or Madonna, guess what, you can't get health insurance. No matter how hard you try, you just can't get it. Or dealing with cancer issues, if you have cancer in genetic code and you had cancer as a youth, cancer removed on your ears or anything, you've got one "H" of a time getting insurance because they'll put a rider on it. And so that is why the federal government got involved. More and more people it was just selective healthcare for the healthy. You could get premiums if you were healthy, but if you weren't, heaven help you. The premium shot through the roof. Some of my constituents are paying \$5,000 every six months for the premium because they have a preexisting condition. Now you got to have a pretty decent job to pay that. So he's thinking about transferring all his assets to his children and go on the state because it's just eating him up. So is this right for us to treat people like that? When we swore in, we were sworn in as senators, and senator means servant to all, not just a few, not just the wealthy but to all. And that's impossible. I know it's impossible. But we have to do the best we can. And I want to thank Senator Gloor and Senator Campbell and the HHS Committee for working on this diligently. I know how much time you spent and I thank

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you for it. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Wallman. Senator Kolowski, you're recognized. [LB887]

SENATOR KOLOWSKI: Thank you, Mr. President and fellow senators. I stand with a little different slant on this whole area. I want to talk about not so much the loss of hospitals, individual stories, the movement toward 316 million of our population being covered by something that has never been there before, or the fact that we're coming very late to the party as a country. And trying to get this very big change into our society is no small task. But I do stand in support of the reconsideration we talked about and the final LB887 as we're looking at this. My example is more of one from a teaching aspect and I want to go back and give you just a little bit of something to think about as we have this kind of debate on this kind of topic in this place. I used this a number of times in my own campaigning and it strikes a different note with different people in different places, but I think it's important. There was a course I taught at one time many decades ago. This is all pre-No Child Left Behind, as you can well imagine, and it was a Humanities in Three Cities course it was called. We looked at three locations: ancient Athens, renaissance Florence, and modern New York City. The whole course revolved around three questions and those three questions were very simple, very direct, and very much to the heart of the course: one, what is a good person; two, what is a good life; and three, what is a good society? In each of those countries or cities that we were examining, we asked social, economic, political, religious, and many other topics came into the readings and discussions we had with students. It was a tremendous class with dialogue back and forth, great debates and great discussions on many, many topics that came to light in each of those situations. And the students, over time, saw the connective humanity over those many thousands of years that came together to humanize and bring together the issues that we were talking about because of the similarities we had over those times. Now that's three questions: what is a good person, what is a good life, what is a good society? Perhaps we could use those when we're debating such issues such as the one before us at our current time. Two side items or two side issues: I don't know if any of you have had medical students or nursing students come to your office or meet with you individually and talk about their preparation, where they are at the current time in their education and their training. But when they have come to my office, I've asked them about where they are with the Affordable Care Act, the changes taking place in the medical profession. And they're all, every one to date has said the same thing, they're all preparing for the changes that are happening and they will be ready for those as they enter the work force in their medical professional area in the future. So what's happening at the medical schools that's making that take place is my question, and obviously something is being done correctly. As you heard, this is the law of the land and being implemented. Secondly, on a personal nature, I remember going to a doctor's appointment about a month ago at an Alegent Hospital in Omaha, and after the doctor examined me he gave me, for the first

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time, a computer printout, my own computer printout of my history... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR KOLOWSKI: ...with him on those topics. I'd never received that before, but that's what's been happening throughout their system, throughout all their hospitals for the personalization of that care and treatment of their individual patients. I, like you, read the comments from our Governor and our state when he talked about this expansion and how it will probably come out of the educational money that we would have set aside for the students in K-12 education or higher education in our state. Senator Nordquist talked about other governors in other states and some of their decisions. Is ours really going to come down to the choice of having either unhealthy or uneducated students? Is that the goal of what we're trying to do and is that the limits of the thinking we can bring together... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR KOLOWSKI: ...to make this happen? Thank you very much. [LB887]

SENATOR COASH: Thank you, Senator Kolowski. Senator Chambers, you are recognized. [LB887]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm not going to comment on what Senator Coash said because he's in the Chair and cannot respond, but I will say something that will apply to everybody on this floor. I hope we stay here late. And I'm going to see how many of you will eat and mooch and sponge off the lobbyists. "Captain Hungry," "Lieutenant Lunch-hunter," you're in here saying it's so important that people who are sick, Senator Pirsch, should not get medical care. Will you eat off the lobbyists? That's rhetorical. Who is going to sponge and mooch off the lobbyists? I think we need a rule in the book that says, since we are here to represent our constituents, we should not be fed by any special interest groups. You all are too proud to do that. You lack all shame. You lack shame. You mooch and sponge off the lobbyists. I can tell what they're serving when you come in here because it's on your breath, but some of you come in here smelling like John Barleycorn. You get John Barleycorn out of the demijohn and come in here and be a demagog. This is real. You think I'm going to pussyfoot and soft-pedal it when people are coming in here and saying, I got so many telephone calls and therefore it's against my conscience to vote this way? I have not a molecule of religion. Thank god for that. But I'll tell you what, I have ethics, I have my standard of morality, and they are not subject to a popular vote. I do not try to see which way the wind is blowing and that's the way I go, or which special interest group is supporting something, like the fountains, and that's the way I'll go. Or talk all this religion and then when time comes to do what we can do say--no, because, well, maybe two years down the line something may change. What about the water?

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They cannot protect and ensure the rights of all surface...users of surface water because there's not enough water. And I hear all the talk about the water. I would bet that if there was to be a swine illness in this state, we'd have people come in here saying, we need to have rules to test any swine that are going to come into this state; we need to do something about these exotic animals because they'll hurt the livestock, they'll hurt the livestock. Maybe if we could pass a bill that would define our children as livestock, then we would take care of them, wouldn't we? All these rural people and on the Ag Committee I get to hear it ad nauseam: Well, at these auctions, we got to be careful of what animals come in here because they'll infect the livestock. But on the other hand, well, I got so many phone calls, I can't vote for anything that will help sick children or sick parents. And we've got people running for Governor, running for Attorney General and can't take a moral position. [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR CHAMBERS: You all come in here for the prayer, not me. I want to get rid of it. I don't want you to put at risk your immortal soul by engaging in blasphemy and hypocrisy and sacrilege. Stop bringing Jesus in here and dirtying him. Why you ought to be ashamed of yourselves. (Laugh) But that's what Christianity is about. That's why you couldn't pay me to be a Christian. And it looks like they can't pay you all to be Christians either, because despite what Senator McCoy said about this country being founded on Christian principles, let him practice them here by helping us take care of the sick. But, no, that can't happen when you've got bigger fish to fry, not fish that you're going to use to feed the hungry with, but the fish that might make you Governor. If I was an oddsmaker, I'd tell all those in this body running for Governor to get out of the race. I'd give a million to one odds against any person on this floor winning the... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR CHAMBERS: ...governorship. Lloyd's of London would like that. [LB887]

SENATOR COASH: Time, Senator. Thank you, Senator Chambers. [LB887]

SENATOR CHAMBERS: Thank you, Mr. President. [LB887]

SENATOR COASH: Senator Avery, you're recognized. [LB887]

SENATOR AVERY: Thank you, Mr. President. Anybody in here who is a sports fan or who has read the newspapers lately or watched the sports on TV has heard the phrase March Madness. The real madness, folks, is in the reality that 54,000 low-income Nebraskans are working, but they don't earn enough to afford health insurance. That's the madness. I heard someone a while ago, I believe it was Senator Davis who said...or maybe it was Senator Dubas, says, let's put a face on this. And I have been sorting

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through all the material that's been distributed and one of them struck me as particularly instructive of what we're dealing with here. A young man, 37 years old in McCook, Nebraska, is married, father of four young children who several years ago started his own landscaping business. He makes about \$31,000 a year and he's the sole provider for his family, because his wife stays home to take care of their four children. One of those children is suffering from a developmental disability and a weakened immune system that requires specialized care. Problem is that the family received Medicaid until last year when his business income, the father's business income, grew enough that their debt had also increased and now they are ineligible for Medicaid and they have too little income to access the affordable private coverage in the health insurance marketplace. Without health insurance coverage, this family will pay \$7,000 for a medical procedure the son needs entirely out of pocket. This is on top of thousands of dollars of medical expenses they already have incurred. The bill that we're talking about today, LB887, would allow that young man to grow his business and take care of his family's health needs. Without the affordable health insurance options that we're talking about here, he is likely to be left out with no option but continued noncoverage for his family. We also heard some talk about the impact of what we're considering here on rural hospitals. The experience in states that have refused to expand Medicaid should tell us something. I did a little research to see what has happened in those states. In Tennessee, for example, they have 61 hospitals in 49 rural counties, 28 of them at risk of closure because they have lost income due to the failure to expand Medicaid. Georgia, North Carolina, Virginia are in the same circumstance. Last fall Bloomberg reported that at least five public hospitals in Georgia, North Carolina, and Virginia were cutting staff and services in the wake of the refusal of their governments to expand Medicaid. These hospitals are called disproportionate share hospitals. That is to say that they provide service for a disproportionate number of poor and uninsured Americans, and so they don't usually receive payment for the care they give to the patients. Now the federal government reimburses these states. It's called...they're called DSH hospitals and they get... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR AVERY: ...reimbursement through Medicaid. Was that one minute? And my question is, how many of these hospitals exist in rural Nebraska? What will happen in our rural communities if these hospitals have to be closed? And I hear also that we can't afford this; it's too expensive. But what I am beginning to believe is that we can't afford not to do this. The Nebraska taxpayers will spend \$251 million in additional fees and taxes under the Affordable Care Act and nothing will come back to us if we don't expand Medicaid. We're going to be spending probably another \$25 million a year on Medicaid without the expansion and nothing coming back to us from the state... [LB887]

SENATOR COASH: Time, Senator. [LB887]

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SENATOR AVERY: ...by way of reimbursement. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Avery. Senator Seiler, you're recognized. [LB887]

SENATOR SEILER: Good afternoon, Mr. President, members of the committee. I am going to change my vote from not voting on this and voting for the reconsideration, because I've had a chance to look at the constitutionality of it. I think this sentence makes the entire bill unconstitutional and I don't believe that we can determine that today. We'll determine it about four or five years down the road. Then we'll have the field day of figuring out who's going to pay what back and what was spent and shouldn't have been spent. And I don't want to be a part of that. So I'm going to vote in favor of the reconsideration. I'm going to vote for this amendment to take this language out only for the purpose of avoiding a constitutional problem. I still have not made up my mind which way to go on the bill itself, but I will tell you that I feel that this is something that we need to clarify. There is no severance agreement. What I mean by that is many bills have a clause that says in the event that a part of this legislation is held unconstitutional, only that part is held unconstitutional; the rest shall survive. I don't find that clause in this amendment at all and, therefore, I believe we ought to pass this amendment or reconsideration, pass the amendment, get this language out and get to the real parts of this bill instead of dancing around it. Thank you. [LB887]

SENATOR COASH: Thank you, Senator Seiler. Senator Cook, you're recognized. [LB887]

SENATOR COOK: Question. [LB887]

SENATOR COASH: The question has been called. Do I see five hands? I do. Question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. [LB887]

SENATOR COOK: (Microphone malfunction)...I'd like a call of the house, please. [LB887]

SENATOR COASH: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB887]

CLERK: 32 ayes, 0 nays to place the house under call. [LB887]

SENATOR COASH: The house is under call. Members, please return to the Chamber and record your presence. All unexcused members please return to the Chamber. All unexcused (sic) personnel please leave the floor. The house is under call. Senator Bolz, please check in. Senators Janssen and Larson, please return to the Chamber and

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record your presence. Senator Davis, please return to the Chamber and record your presence. Senator Davis, please return to the Chamber and record your presence. Senator Cook, all members are present or accounted for. Would you like to accept call-ins? [LB887]

SENATOR COOK: Yes, I would. I would like to accept call-ins, please. [LB887]

SENATOR COASH: Members, the question before the body is, shall debate cease? [LB887]

CLERK: Senator Lathrop voting yes. Senator Ashford voting yes. Senator Janssen voting no. Senator Dubas voting yes. [LB887]

SENATOR COASH: Record, Mr. Clerk. [LB887]

CLERK: 25 ayes, 13 nays to cease debate. [LB887]

SENATOR COASH: Debate does cease. Senator Campbell, you're recognized to close on your motion to reconsider. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. I want to thank Senator Seiler for his comments. He and I had a discussion off-line and I very much appreciate it. It speaks to how we operate in this body as colleagues, and I appreciate it. I would urge you to vote green on the motion to reconsider, and I'd ask for a roll call vote in regular order. [LB887]

SENATOR COASH: Thank you, Senator Campbell. Members, you heard the closing on the motion to reconsider. The question before the body is, shall the last vote be reconsidered? There has been a request for a roll call vote. Mr. Clerk, please read the roll. [LB887]

CLERK: (Roll call vote taken, Legislative Journal pages 940-941.) 30 ayes, 16 nays to reconsider, Mr. President. [LB887]

SENATOR COASH: Motion carries. We return to discussion on AM2437. We raise the call. Senator Krist, you are recognized. [LB887]

SENATOR KRIST: Thank you, Mr. President. We're still...no, we're good evening. Good evening, members of the Legislature, and good evening, Nebraska. I want to be very, very clear to my colleagues and to the state and to my constituents where I stand on this issue today and where I will probably be at the end of this debate. I did not vote to put this bill out of committee. I didn't do that because this administration, this executive branch does not want to have a discussion about the future of healthcare in the state of

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Nebraska. And you all need to know that are listening out there in TV land what these people know in this body. This business is about three numbers: 33, 30, and 25. If you don't have those numbers, you don't pass a piece of legislation. Now last year there was a group of people that thought the magic number was 17, following the legendary Huey Long from Louisiana who could block any piece of legislation or any impeachment action with the right amount of votes. And you did that last year. And you probably have the same number today. My projection is that we don't have the cloture votes at this point, but as this debate goes on there may be more people who, like Senator Seiler, believe that there is a silver lining in the cloud. I, personally, am not convinced that that is the case. I would remind this body that it took us three years to do the right thing, to do the right thing and take care of the unborn, the future citizens of the state of Nebraska if they are born here, with prenatal care. And we sustained that the year after when members came back after it because we did the right thing. In the State of the State, this Governor said, and I quote: It is up to...the Supreme...United States Supreme Court said Obamacare's Medicaid expansion is optional. First of all, the way that Senator Gloor and Senator Campbell and others who have worked on this have phrased it, this is not an expansion of Medicaid so quit kidding yourself. This is not, as Senator Conrad said, a discussion about Obamacare. This is the option to help whatever the right number is and the people of the state of Nebraska who cannot...and cannot afford health insurance or cannot get health insurance. But we're not going to have that discussion this year because this Governor is not going to talk about healthcare in the state of Nebraska. If Senator McCoy or Senator Carlson were...if I really wanted to embarrass somebody, I would ask both of them if they've read LR22. And I would bet that the answer will be, and I challenge them both to get up and say that I'm wrong, they haven't read LR22. That was a study done in the interim over the past year that talked about the health and welfare future in the state of Nebraska, and LR422 comes back this year and talks about the same thing. We have to have an intelligent discussion between the Governor, the future Governor, because we're not going to have an intelligent discussion with this guy, the future Governor of the state of Nebraska and this Legislature next year about what we need to do to provide healthcare and benefits for the people in the state of Nebraska who sorely need them. To Senator Coash's point, I'm with you, dude. We need to protect those that really need to be protected. And part of this may be expanded as we go forward to make sure that those people are taken care of. I know that drill. I know that group of people. You know that. I've talked about them on this floor. [LB887 LR22 LR422]

SENATOR COASH: One minute. [LB887]

SENATOR KRIST: I'll have several more times on the mike in the next day and tomorrow, and I will talk about some other issues. I'll finish up on this one by saying, to quote the Governor: It's up to each state to decide how they want to proceed. No. You know what. It's up to 17 who will block pieces of legislation. It's up to this Governor to block this piece of legislation. You go across the river to Iowa. Those people made a

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plan together. They talked about it. They talked about the future healthcare in the state of Iowa and they have a plan. Little fired up? Yep, I am. I said I wasn't voting for cloture on this one. I said I wasn't voting for this down the road because I don't think it's even up for discussion. This is up to the two people who are running for Governor right here to stand up and say what you're going to do for the future healthcare of the state of Nebraska. More to follow. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Krist. Senator Pirsch, you're recognized. Senator Pirsch waives. Senator Chambers, you're recognized. [LB887]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. And I think Senator Pirsch knew I was breathing down his neck because I was going to speak right after him. And I told you all when the cameras left, the big camera, Channel 7, then somebody would leave this Chamber, and that's what happened. I'll tell you why Senator McCoy is not going to say anything. A guy gave him almost a million dollars. Then his employees chipped in another \$113,000. Why, if I had somebody who'd give me a million dollars, I'd say go to blazes to all these people who are sick; I'm well. But I'll tell you what. I got a little wager with Senator Murante. That's between him and me. I'll bet the guy who gave Senator McCoy all that money a thousand dollars that he cannot buy the governorship with that million dollars, almost. And he's also given some money to an anonymous group in Iowa. The group's name is known, but they don't tell who their contributors are. And when the money bags who gave Senator McCoy all that money was asked, have you given money to that group in Iowa, he gave the classic response of a criminal: I got to take the Fifth on that one. Did he mean the Fifth Amendment or a fifth of "John Barleycorn?" How do I know? We're dealing with politicians and politics. And you all want to put your head down and act like I'm saying something that somehow should not be said. Why, these people who are running for office will take money from anybody. And I'll tell that guy who gave all that money that he's wasted it; that I can lose the governorship for far less than that so he ought to give me \$5. It would be the same result. Sitting around here acting like somehow we don't have a right to talk about politicians who are out there saying all kind of unkind things about a nice fellow like Ricketts. Now with a name like that, he's got to be right. And I've already made my wager. Senator McCoy is going to lose. Senator Carlson, even though I call him "Parson," he can't win; he knows it. They're not even in the running. One guy gave all the money, almost, to a candidate. What's going on here in Nebraska? He can't buy the governorship. He thinks he can. And I think, if I remember correctly--I tell you that I've got Teflon brain cells--I think he was running for an office or intending to. And he tested the water and tested the wind, took the smell test and said he had no chance to win, so he gave Senator McCoy over \$800,000, over \$800,000, \$880,000-something, if my Teflon brain cells are not failing me. Then some people who work for him, his employees, chipped in that other \$113,000. That's \$800,000 plus \$100,000 is \$900,000. And if it was \$880,000 plus \$113,000, that's about \$990,000-something, which is as close to a million dollars as you can get without having it. Why, I could sneeze from that

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position and sneeze my way to a million dollars. If they're going to run for those offices, they can take this. [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR CHAMBERS: Oh, I feel an inspiration. I read something that Senator McCoy said about his opponent and this is what I thought: We're seeing something we've never seen; Candidate McCoy is getting mean. He is. He means business. But he's going to lose as sure as my name is Ernie Chambers. And I won't make wagers on the floor in the sense of trying to earn money by betting, but the only time I'd be violating the law is if I'm gambling. If the outcome is sure, it's not gambling. And if you'll bet against a sure thing, you're not a gambler; you're a fool. So anybody who wants to make that wager with me, I'll give you 100-to-1 odds that Senator McCoy is going to lose, 50-to-1 odds that Senator Carlson is going to lose, because I like Senator Carlson better. But the truth... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR CHAMBERS: ...is the light. Did you say one minute? [LB887]

SENATOR COASH: Time. [LB887]

SENATOR CHAMBERS: Oh, thank you, Mr. President. [LB887]

SENATOR COASH: Senator Hadley, you're recognized. [LB887]

SENATOR HADLEY: Mr. President, members of the body, would Senator Campbell yield to a question? [LB887]

SENATOR COASH: Senator Campbell, will you yield? [LB887]

SENATOR CAMPBELL: Certainly. [LB887]

SENATOR HADLEY: Senator Campbell, I'd like to come back to AM2437. Is the primary reason for this amendment is that there is a constitutional issue right now with the bill if we do not make this amendment? [LB887]

SENATOR CAMPBELL: Senator Hadley, we believe that Senator Seiler's remarks are correct that you can only have...you can only have one branch of government negotiating with CMS and Medicare, and it clearly, Senator Hadley, it was an error and... [LB887]

SENATOR HADLEY: Okay. [LB887]

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SENATOR CAMPBELL: ...you know, I'm sorry, I should have caught it. I didn't catch it. But Senator Seiler and I have had a conversation and we really believe that we need the amendment in order to make absolutely sure there's no constitutional issues. [LB887]

SENATOR HADLEY: Thank you, Senator Campbell. About six years ago when I started in this body, I had a person who became a good friend and kind of a mentor, Senator Fischer, and she told me kind of one of her rules, and I've tried to abide by it, is no matter where you stand on a bill you always support an amendment that makes the bill better. Because if you don't, then you're going to pass a bill that could be flawed. So I guess I don't understand the opposition to the amendment. I have spent a lot of time trying to grapple with this issue. I've had a lot of e-mails, telephone calls, a lot of people telling me what I should and shouldn't do. And to me, it always comes down to a number and that's 55,000 Nebraskans that do not have healthcare. Can you imagine that, not having the ability to go to the doctor, not having the ability to have your aches and pains looked at? So the question to me comes down to, and what I haven't heard, and what a lot of people that I dialogue with and e-mail, I said, okay, if you don't like this, what's your solution? What's the solution to get 55,000 Nebraskans under the umbrella of healthcare? I think that's important. So if you're going to oppose this bill, stand up on the mike and say, okay, I have a plan where I can find the money or find the resources to bring this 55,000 Nebraskans into a healthcare system. How do you reform a system if you don't have everybody under the umbrella? How do you control healthcare costs when you have people that don't use the normal healthcare system? I don't think you can. So this is a, you know, is a difficult decision, but again it comes back to me, if somebody has got an idea of how 55,000 Nebraskans that we can give them healthcare, access to healthcare, wouldn't that make Nebraska a great place where we could say we've got people covered? And so I'm going to vote for the bill. It's causing a lot of consternation in my district, I know that. A lot of people told me they'd never vote for me again, but you know what, they're never going to get a chance anyway. (Laughter) [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR HADLEY: So, you know, I just had to get up. This will be the only time I speak on it. But I did spend a lot of time trying to look through this and a lot of time trying to figure out how we could make this work. I've had people say, well, we should go to charity. Is that how you want...would you like your healthcare to be dependent on which charity might give you some money? Would you like to have to decide whether you go to the doctor and pay for the doctor visit or buy food for your children? I don't know. It's just a tough decision. Each of us will have to make it. And there's probably not a right or wrong decision, but I wanted to explain why I was making it. Thank you, Mr. President. [LB887]

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SENATOR COASH: Thank you, Senator Hadley. Senator Carlson, you're recognized. [LB887]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. Senator Chambers, don't bet on it. And, Mr. President, I'd like to address Senator Gloor, if he would yield. [LB887]

SENATOR COASH: Senator Gloor, will you yield? [LB887]

SENATOR GLOOR: Certainly. [LB887]

SENATOR CARLSON: Senator Gloor, you've had a lot of experience in hospital administration and as Chair of the Insurance and Banking Committee. And just bear with me here and if you don't agree with my figures, obviously, tell me you don't. But as I can look at this situation with Medicaid expansion, state of Nebraska is to receive about \$350 million a year to help cover these people that are not currently covered. Is that a pretty good ballpark figure? [LB887]

SENATOR GLOOR: I'd have to sit down and take a look at my notes, Senator. I couldn't answer. That sounds right, but I'd have to go down and check. [LB887]

SENATOR CARLSON: Okay. And I had lunch last week with some hospital administrators and they agreed with that figure. But I'd appreciate it if you'd check it out and see whether or not it's close. [LB887]

SENATOR GLOOR: Certainly. [LB887]

SENATOR CARLSON: But that, as I understand it, is to cover 54,000 people, approximately, that are now not covered, plus other people that are currently under Medicaid. Would that be correct? [LB887]

SENATOR GLOOR: Correct. [LB887]

SENATOR CARLSON: And that total number is about 250,000. Would you agree with that ballpark figure? [LB887]

SENATOR GLOOR: Two hundred and fifty million? [LB887]

SENATOR CARLSON: Two hundred and fifty thousand people. [LB887]

SENATOR GLOOR: Oh, 250,000 people covered totally under Medicaid? [LB887]

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SENATOR CARLSON: Yes, along with Medicaid expansion. [LB887]

SENATOR GLOOR: I would...that sounds close but I haven't seen current enrollment numbers, but it sounds close to me. [LB887]

SENATOR CARLSON: All right. If that's close, and the administrators that I spoke with the other day, they thought those figures were probably pretty much ballpark; if you take \$350 million and divide it by 250,000 people, that comes out to \$14,000 per person per year. Does that sound like a figure that's probably ballpark? [LB887]

SENATOR GLOOR: That sounds like good division, so I trust your calculation. (Laugh) [LB887]

SENATOR CARLSON: Okay. And this isn't a gotcha type thing. I'm really going to end up asking a question. If that's close, \$14,000 per person per year, I've looked into what the most comprehensive Blue Cross Blue Shield plan would be for a 60-year-old. Now I know you have to qualify for that one, but insurance is the law of large numbers. And if you take 250,000 people, it should take in a full gamut of a lot of healthy people and some that aren't so healthy. But for a 60-year-old, their most comprehensive plan is just a little bit over \$10,000 a year. That's for a 60-year-old entering the most expensive portion of their life prior to Medicare, and it's not \$14,000. Then go down to age 50 is about \$6,700; and age 40 is about \$4,800. But none of those figures come even close to \$14,000. So my question is, why does it cost that much? I'm not opposed to having these people under coverage. Why does it cost that much? [LB887]

SENATOR GLOOR: Is the mike mine for a second or two? [LB887]

SENATOR CARLSON: Yes. Yes, please. [LB887]

SENATOR GLOOR: That's a great question, Senator Carlson, and it's a question that I started asking even before I got down here, still ask: Where does the money go? And are there ways that we can control where we spend that money? Is it a small group of patients that drive up our expense? Is it broadly distributed across all patients? [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR GLOOR: And we don't know that because the example I used metaphorically earlier was even the simplest convenience store tracks its inventory, its expenses, its cost, its revenue that come in. We don't have that information available to us. So I know when you're Governor, that's going to be one of your priorities to look into, Senator Carlson, because it's a frustration of ours. We ought to know where we're spending our money and how we can control it better. [LB887]

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SENATOR CARLSON: Thank you. How much time is left? [LB887]

SENATOR COASH: Twenty-five seconds. [LB887]

SENATOR CARLSON: Okay. I'll come back another time. Thank you. [LB887]

SENATOR COASH: Thank you, Senator Carlson. Senator Karpisek, you're recognized. [LB887]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. This will be the last time I speak on this because it seems like the people for the bill are doing all the filibustering, so I think it's time to turn it over. I don't know how many people would be on the same side if the Presidential election would have gone a different way. We call it Obamacare...they do, whoever does. That's what it's known as. But I still can't help but go back and remember Governor Romney instituting a very similar thing when he was Governor. Now since he did that, what do you suppose, if he would have been President, he would have done? Do you think he might have done the same thing and now it would be "Romneycare"? Then it would probably be a great idea by the same people who say it's such a horrible idea now. That is one thing that boggles my mind on this. We get all these e-mails. Yes, they're coming in, and most of them say, vote no on LB887. I would love to say, why? What is it that you don't like about it? I'll bet it's that preexisting conditions. I bet that's what they don't like about it. Because if your son or daughter was very sick as a kid and they had to come through it and get insurance, no, I think they should pay or not even be able to get insurance. That will teach them. No, that's...well, maybe not. What is it that they don't like? Because it's Obamacare, wake up, don't you understand? It's bad. It's terrible. Irregardless of that, this is not Obamacare. This is trying to help 50,000-some Nebraskans who work for a living, but they work in low-income jobs that probably don't have health insurance. They're working. Well, they should get another job. They still can't afford health insurance or get it. I think that this just makes sense. The other one that I like is, well, if we have a doctor shortage, what's going to happen if we put all these other people on? Well, let's worry about ourselves, shall we? We don't care about those other people. What if my grandma gets kicked off or doesn't get to see a doctor? It's all about me. I think we talk about being Nebraskans, we talk about caring for each other. It's time to put up or shut up. Let's help some people out and let them be better, productive members of our society. I'd like to yield the remainder of my time to Senator Conrad. [LB887]

SENATOR COASH: Senator Conrad, 1 minutes 45 seconds. [LB887]

SENATOR CONRAD: Thank you, Mr. President. Thank you, Senator Karpisek. Friends, I just want to point out a potential inconsistency in relation to this debate. Last year certain opponents on LB577 said, we do not want to do Medicaid expansion, we want a private-sector solution, we want to look at what happened in Arkansas. And myself and

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others argued against that, saying, gosh, it's more expensive, it's less efficient if you go down that route. But that's why we were battling to try and pass LB577. Nonetheless, in good faith, that's exactly what Senator Campbell and her group did over the interim period was to look at private-sector approaches in other states and to bring that to Nebraska in a unique approach as defined in LB887. And now those same opponents stand up and complain... [LB887 LB577]

SENATOR COASH: One minute. [LB887]

SENATOR CONRAD: ...that the private-sector approach is more expensive and too expensive. Friends, you can't have it both ways. If you're opposed, be opposed. But don't use specious arguments in relation to cost-effectiveness to make your case. Thank you. [LB887]

SENATOR COASH: Thank you, Senator Conrad. Senator Nordquist, you are recognized. [LB887]

SENATOR NORDQUIST: I'm going to waive right now. [LB887]

SENATOR COASH: Senator Nordquist waives. Senator Pirsch, you are recognized. [LB887]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. You know, I think it is entirely appropriate to be asking the questions here today about expanded Medicaid in Nebraska. There are a lot of legitimate concerns that we have here today in the body and I think that that is reflected in the votes that have been put up today, the way the bill is structured. And so one of the issues that I'm very concerned about is with respect to had...what I've said earlier. The continuing obligation of the state to continue to go it alone or to fund it on...in large part or in a larger part than what is being presented here today, should the federal government and when the federal government discovers that they are unable to financially keep up with their...what they say their obligation is here. And so I guess if...I wonder if Senator Campbell might yield to a question or two. [LB887]

SENATOR COASH: Senator Campbell, will you yield? [LB887]

SENATOR CAMPBELL: Certainly, Mr. President. [LB887]

SENATOR PIRSCH: Okay, and thank you very much. I wonder, is there anything in terms of...written in legislation or otherwise that would constitute some sort of binding obligation of a future Congress to continue a 90 percent funding level for this program indefinitely? [LB887]

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SENATOR CAMPBELL: Senator Pirsch, I was trying to look real quickly to find out the specific section for you. But in the bill it talks about that if the federal dollars should fall below the 90 percent level, which, of course, would take an act of Congress because it is...Congress passed the law, then the Legislature, the first Legislature after we've notified and know about this would have to come together and would have to take a look at the WIN waivers and make a decision. Senator Pirsch, if you have some suggestions about that section, I would be glad to visit with you off the mike... [LB887]

SENATOR PIRSCH: Yeah. [LB887]

SENATOR CAMPBELL: ...and pick up any suggestions that you might have. [LB887]

SENATOR PIRSCH: Yeah, and I appreciate that, but there is...I guess the question really isn't so much about your bill, this bill before this body today, but about the Affordable Care Act. There's nothing in the Affordable Care Act that would bind future Congresses to...they're not bound to follow the 90 percent funding level in...for perpetuity. [LB887]

SENATOR CAMPBELL: They would have to...it would take an act of Congress, Senator Pirsch. I mean, Congress would have to say...they would have to amend the federal act that put the Affordable Care Act into place. It would take an act of Congress. And I am...I'm not the federal constitutional lawyer. I'm not an attorney, so perhaps the attorneys in the body and, Senator Pirsch, you would probably know, most likely, that would take a vote of both houses of Congress. [LB887]

SENATOR PIRSCH: Well, I...my...I can only tell you my understanding. It's a nonbinding promise that has not been codified into law or regulation. But there is...now turning towards your bill in particular, LB887, and there was some...your committee transcript, you and Senator Gloor talked a little bit about what would happen in the occurrence...should the federal government dip below that 90 percent promised funding level, correct? [LB887]

SENATOR CAMPBELL: That's correct. [LB887]

SENATOR PIRSCH: And the language though of the bill that's currently encapsulated in LB887 says, should the federal government renege or not meet its obligation to fund at a 90 percent level but go below it,... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR PIRSCH: ...our solution is just simply that we would review the congressional action of going below the 90 percent level and then make adjustments if we chose to? Is that the sum and substance of what we would be doing? [LB887]

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SENATOR CAMPBELL: The intent would be that the Legislature would have to review the Wellness in Nebraska Act waivers as put in place by this bill. [LB887]

SENATOR PIRSCH: Yeah, but there's nothing in that...in...contained in that language so it would...I mean, if that language were taken away, that option would still be available. There's nothing about the language that adds value to the bill really about what our options could be or would be though, correct? [LB887]

SENATOR CAMPBELL: Senator Pirsch, as I said, if you have some suggestions for some stronger language or additional language, I would be glad to visit with you about it. [LB887]

SENATOR PIRSCH: Well, I appreciate it, and I'd yield the balance of my time to you should you have any last-minute... [LB887]

SENATOR COASH: Time. [LB887]

SENATOR PIRSCH: There's not much time. Well, thank you. [LB887]

SENATOR COASH: Thank you, Senator Pirsch and Senator Campbell. Senator Krist, you are recognized. [LB887]

SENATOR KRIST: Good evening again. One of the things that was brought to my attention by the folks who were walking up and down the hallways and trying to corral us on this issue, both positively and negatively, was the fact that the Governor and those in the executive branch have the duty to execute laws passed by the Legislature. Nebraska State Constitution requires that the Governor take care of the laws to be faithfully executed, and Governor Heineman took that oath he would faithfully execute the laws. As a result, the Governor must implement laws whether or not he agrees with the policy behind them. Wondered if Senator Ken Haar would yield to a question. [LB887]

SENATOR COASH: Senator Haar, will you yield? [LB887]

SENATOR HAAR: Yes. [LB887]

SENATOR KRIST: Senator Haar, refresh my memory and the members' memory, as well as the people who are watching, didn't you pass a bill last year that said that the executive branch was going to do something? [LB887]

SENATOR HAAR: Yes. We passed...I don't remember the bill number anymore, but it was the CARC Committee and doing a study on adding climate change to their regular

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agenda, I'd guess you'd say. [LB887]

SENATOR KRIST: So it would have been the Governor's obligation, because he took an oath to faithfully execute the laws, to put the RFP out there and follow the intent of the Legislature and find out what that study would have looked like. Would you agree with that premise? [LB887]

SENATOR HAAR: Yes. [LB887]

SENATOR KRIST: Okay. And could you review for us, please, what happened to that study? [LB887]

SENATOR HAAR: Well, the study turned...the way it was interpreted by the CARC Committee turned out to be an embarrassment because, they said, cyclical climate change does not include any human influences and scientists really couldn't in conscience respond to that. So in the process though I need to clarify that Speaker Adams and myself did write a letter to the Governor asking that the study not be done. [LB887]

SENATOR KRIST: Because, in fact, it wouldn't have been successful the way the legislative intent was written and the way the statute was passed in order to get the full implement of the study and the information back to us with the restriction that was put into the RFP? [LB887]

SENATOR HAAR: Yes, yes. [LB887]

SENATOR KRIST: Okay. Thank you, Senator. And I just want to make the point again. You can block legislation with 17. You can't pass any. You can get it into the executive branch, and I've seen this happen and in Senator...I won't embarrass Senator Campbell with a question because I know this to be a fact: We can send whatever we want to, to the Department of Health and Human Services and, if they don't want to issue a contract and negotiate in good faith and make sure that NFC has the proper contract, which they've been dragging their feet on for three years, it's not going to happen. So the inference of this naive citizen, in my mind, to say that it's going to happen because we say it's going to happen, good luck with that. We have to have a discussion with the future Governor of the state of Nebraska. This Legislature needs to work with the next Governor. This needs to be a gubernatorial election issue. Ask Senator McCoy and Senator Carlson and Mr. Ricketts and Mr. Slone and whoever, ask them all, where do you stand on the wellness plan in Nebraska, the future medical assistance in Nebraska, where do you stand on that? Have you read LR22? Are you looking forward to the result of LR422? I said it on the floor before and I will say it again: I asked several times in our committee hearing on this particular bill and on the reports that came back from the LR22 folks, can we in the state of Nebraska execute a health plan for the citizens?

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[LB887 LR22 LR422]

SENATOR COASH: One minute. [LB887]

SENATOR KRIST: ...with only the money, only the capability generated within the state of Nebraska? And the answer from every hospital administrator, from everyone who is in the healthcare profession said, no, we can't do it on our own. So for all of you who say no to LB887, then what? Define for me the federal money that's okay to take. Define for me the plan that we go into the future with. Sounds to me like I'm changing my own mind and my vote. I'm going to stick to what I'm saying because I can stand up here and stick to the conviction of not voting for this piece of legislation and knowing that it's probably going to take us another year to get it done and informing the state of Nebraska that this is a really heavy gubernatorial election issue. [LB887]

SENATOR COASH: Time, Senator. Thank you, Senator Krist. Senator Chambers, you're recognized. [LB887]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm looking at how empty the Chamber is. I wonder if the lobbyist said, come and get it. He should have rung a bell. When they hear that bell ring up there, they think it's the dinner bell. And just like Pavlov said: When they hear it, they start salivating. Then they run over there to be fed by the lobbyists, the moochers, the sponges, the hypocrites, and don't want to see the sick be granted medical care. And they can afford to feed themselves even though some are of greater girth than others. They can afford it, but instead they're sponging and mooching. Colorado put in place their state exchange before that Supreme Court decision came down on the Affordable Care Act. Business went for it. Conservatives went forth because, they said, regardless of what happens with that act, even if some people manage to get it repealed, taking the long-range view for what's best for the people of Colorado, they set up a state exchange and in the process they got \$187 million from the federal government if my memory is correct. And now they're moving along and they said they're glad that they did it. I understand what Senator Coash meant when he talked about somebody getting in front of the line and there are groups that he's concerned about. That rings hollow. Let me tell you why. If I've got children and they are thirsty and you've got children, should I say, I want yours to be thirsty, too? And if that happens, are mine no longer thirsty? If we reject this program, are the children that Senator Coash says that he's concerned about going to be treated any differently? It would seem that if those who mean something to me are hurting, it would create in me compassion. But Hall and Oates sang a song about the "Rich Girl." And the lyrics said: It's so easy to hurt others when you can't feel pain. So if you can take care of your wife who's sick or your children, then it's all right, forget the others. But you can take care of livestock--so hypocritical. "Captain Hungry" is not in the Chamber, "Lieutenant Lunch Hunter" is not in the Chamber, and you're playing like you don't hear me. But here is the solution that the candidates for Governor would give, that

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Senator Pirsch who is a candidate for Attorney General would give, and Senator Bloomfield: Why, the solution is simple; tell these people, don't get sick. That solves the problem for everybody. If you can't afford to go to the doctor, don't get sick. Tell your children, don't get sick. I don't have young children anymore, and I don't have a heart. I want Senator Brasch to keep that in her mind. But I'll tell you what, my mind can be affected by what I see, and periodically I see on television an advertisement for St. Jude's Research Children's Hospital. And I see those little-bitty children. They have various forms of cancer. And I saw one little fellow and he could barely hold his head up. Then he leaned it on the bosom of whoever was holding him, and those long-lashed eyes just slowly closed and then opened and he snuggled up as though he has found comfort and solace and security. Other little children trying to smile, and they feel that where they are now... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR CHAMBERS: ...are people who are going to help them and maybe the people can't. But they do things that give those little children comfort and give their parents the idea that there is hope for these little children. But that wouldn't have any impact on the people here. These "Repelicans" get their marching orders, then they are in lockstep, they're lemmings. They're lemmings. They don't think. They don't have compassion. And they hide behind the number of telephone calls they get; or Senator Pirsch talking about the federal government might not be able to pay its debts. When has the federal government said, you're not going to get those highway funds, because the federal government doesn't have money, or all these other programs. How about Medicare? It's the Republicans trying to take the money away from that, not the federal government. [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR CHAMBERS: Thank you, Mr. President. [LB887]

SENATOR COASH: Senator Kintner, you are recognized. [LB887]

SENATOR KINTNER: Well, thank you, Mr. President. You know, Senator Hadley asked a question, which I thought was a good question: Well, jeez, if you're against this, what are you going to do? Well, you know what, there are solutions that are free market oriented but it doesn't matter because you can't get a waiver for it. It just doesn't matter. I remember the movie Meatballs: It just doesn't matter. That's the problem. We...it's their way or the highway. Now on this new program that we're look...talking about, this LB887, we've got a temporary, two-year waiver. So in year three they could very easily yank us back, get us in the one-size-fits-all Medicaid, the one that doesn't have very good health outcomes for people. So, yes, there are plenty of things we could do. We just aren't allowed to do them. So for at least until year 2017, you know, we're not going

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to be able to do anything to tailor it to our state, to do it the way we want. Somebody mentioned Iowa. Well, Iowa has got a few problems that they're not allowed to implement part of their program because you've got to do a one-size-fits-all, top down from the government. Now when I was talking earlier...I just want to go to a couple numbers again. Since 1966 when we started Medicaid, it has increased--let me give you the number again--31,212 percent. It hasn't doubled in size. It hasn't tripled in size. It hasn't quadrupled in size. It's increased 31,212 percent. So, you know, when we get a bunch of numbers and they're putting numbers in front of us and saying, we're going to move this here and this here and this is going to go over here and this is going to fit here, we're going to save a bunch of money, when is the last time that we implemented a major federal program that saved us money? I'd be happy if someone could name five minor federal programs that somehow have saved us money. This is just not a reliable partner in getting with the federal government and casting our lot with them and saying, we're at your mercy, we're going to do it your way. I want to do it the Nebraska way. And it's not the Obama way; it's not the Washington way. It's going to be our way and they won't let us do it right now. So our choice is to take what I think is a bad program or no program. Well, the bad program is going to cost us a lot of money. It may hurt education. It may really hurt all the...everything else that we want to do in our state. And forget about reducing our tax burden. Or we can do no program. Either way, neither one of them is a good choice. I'm not...no one is saying there aren't problems. No one is saying there aren't people that we care about that need to be taken care of. What we're saying is, this is just not the right way to do it. So I'll take no plan over a bad plan any day. Now we look at the end results and, you know, what's going to happen should we increase the size of Medicaid, whatever you want to call it. Well, increasingly what we see is individual health providers are no longer taking Medicaid. That's a real problem. And we have a shortage of physicians right now in our state, especially out west, and when you overwhelm them with a lot more people on Medicaid, they can't take those people. We don't have the physicians to do that. So now we have wraparound services now. So what we do, we put them in a van and we take them all the way to Lincoln, drive them four hours one way... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR KINTNER: ...and four hours back. Start figuring up the cost of doing that. It is a problem. It's a real problem. Now remember, Medicaid continues to grow at a rate that's far above inflation and it gobbles up more and more of every state's budget. Medicaid programs have not done anything to meaningfully control cost. Now there are some things in this program that attempt to control cost. But if we're on a two-year temporary waiver, whoop-de-do, because in year three we're right back to one size fits all. You know, and hospitalization and ER visits continue to be a huge cost item in Medicaid and that's based upon the states that have already done it. And while we're talking about it, you know, you always get more people than you think. [LB887]

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SENATOR COASH: Time, Senator. [LB887]

SENATOR KINTNER: Time. Thank you very much, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Kintner. Senator Wallman, you are recognized. [LB887]

SENATOR WALLMAN: Question. [LB887]

SENATOR COASH: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. [LB887]

SENATOR WALLMAN: Call of the house. [LB887]

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. [LB887]

CLERK: 30 ayes, 0 nays to place the house under call, Mr. President. [LB887]

SENATOR COASH: The house is under call. All senators please return to the Chamber and record your presence. Those unexcused personnel please leave the floor. The house is under call. Senators Avery, Hadley, Larson, Schilz, and Garrett, please return to the Chamber and record your presence. The house is under call. The question is, shall debate cease? Senator Wallman, are you accepting call-in? [LB887]

SENATOR WALLMAN: Yeah. [LB887]

CLERK: Senator Burke Harr voting yes. [LB887]

SENATOR COASH: Record, Mr. Clerk. [LB887]

CLERK: 25 ayes, 8 nays to cease debate, Mr. President. [LB887]

SENATOR COASH: Debate does cease. Senator Campbell, you are recognized to close on your amendment. [LB887]

SENATOR CAMPBELL: Thank you, Senator Coash. I'd like to remind my colleagues that Senator Seiler probably described this as best as it has been. We do need this amendment. It will clarify any constitutional questions and I would certainly urge your vote green on this amendment. Thank you, Mr. President. [LB887]

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SENATOR COASH: Thank you, Senator Campbell. Members, you've heard the closing to AM2437 to AM2032. The question is, for the body, shall the amendment be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB887]

CLERK: 29 ayes, 7 nays, Mr. President, on the adoption of Senator Campbell's amendment to the committee amendments. [LB887]

SENATOR COASH: The amendment is adopted. Raise the call. Next item, Mr. Clerk. [LB887]

CLERK: Mr. President, Senator Campbell, I now have AM2369 as an amendment to the committee amendments. [LB887]

SENATOR COASH: Senator Campbell, you're recognized to open on your amendment. [LB887]

SENATOR CAMPBELL: Mr. President, I wish to withdraw that amendment. [LB887]

SENATOR COASH: Without objection, so withdrawn. Next item, Mr. Clerk. [LB887]

CLERK: Senator Campbell, I have AM2368. [LB887]

SENATOR COASH: Senator Campbell, you're recognized to open on your amendment. [LB887]

SENATOR CAMPBELL: Mr. President, I wish to withdraw that amendment. [LB887]

SENATOR COASH: Without objection, so withdrawn. Next item, Mr. Clerk. [LB887]

CLERK: Mr. President, Senator Campbell would offer AM2367. [LB887]

SENATOR COASH: Senator Campbell to open on AM2367. [LB887]

SENATOR CAMPBELL: Mr. President, I wish to withdraw that amendment. [LB887]

SENATOR COASH: Without objection, so withdrawn. Next item, Mr. Clerk. [LB887]

CLERK: Senator Watermeier would move to amend with AM2418. (Legislative Journal page 941.) [LB887]

SENATOR COASH: Senator Watermeier, you are recognized to open on AM2418. [LB887]

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SENATOR WATERMEIER: Thank you, Mr. President. Good evening, Nebraska. I've been pretty quiet on this issue, but I made it clear during the committee that I voted against this bill coming out of committee. The day that we talked about the AM2032, I really never had much of a chance to talk about it or look at it. We were given it and we voted on it in the same day. And when I got back to the office and started looking at it, reading through it, and it kind of reinforced my thinking against this bill. There's lots of reasons you could say and I'd listened to Senator Nordquist and Senator Mello, obviously Senator Campbell. I have much respect for this committee, and I would like to say that we could head towards better healthcare in Nebraska. And Senator Wallman actually hit a chord with me earlier because he was talking about the Shriners, and I'd be all for that if we could have the type of efficient organization that the Shriners would have. But we're talking about pouring money into the state of Nebraska into the Health and Human Services Department that just plain and simply doesn't have my faith and confidence to be able to run it properly. I hate to say it so bluntly, but that's the way it is. So when I got back to my office, I looked at this amendment. The very first sentence of the bill reads: It is necessary to improve the health and healthcare coverage for uninsured adults in Nebraska in a manner that strengthens Nebraska healthcare systems in accordance with the Institute of Healthcare Improvement's...I thought...I assumed that was something that we have in Nebraska, like a government agency. It's not. It's a think tank. So make no mistake about it, this amendment is not going to help the bill to be better. I am here to filibuster this bill. So I'm offering this out for debate. We can see where the debate goes. But this is just a think tank. Do we really want to have this in state statute? Is that where we really want to head? I don't have any objection to what this institute has done. They're probably very well organized. And my AM2418 just simply strikes the reference to the institute. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Watermeier. Members, you've heard the opening to AM2418 to AM2032. The floor is now open for discussion. Those wishing to speak: Senators Carlson, Brasch, Krist, Chambers, Ashford, and others. Senator Carlson, you are recognized. [LB887]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. And I do have to announce that the figures that I was using before, I was in error because it doesn't amount to as much per person as I thought it did. In refiguring again, and I've gotten this substantiated, it really amounts to about \$5,833 for each person. And a family of four then makes it a premium of over \$23,000. That's high-priced insurance, but it's not as high as what I originally thought it was. But I do want to make a point about this discussion. And I've substantiated the figures that I'm going to use now, so I'm pretty comfortable with this. If we get into the years where Nebraska is responsible for 10 percent of the cost and assuming that the figures that we're looking at now provided by Fiscal are fairly close, in the year that we would face the challenge of picking up 10 percent of the cost, total amount of money received by the state of

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Nebraska that year would be about \$386 million. And we're responsible for 10 percent. So I've been thinking about that and all of you now, except for Senator Garrett, were here a year ago when we discussed the budget. And now being in my eighth year, several of us are, we've gone through four of these budget cycles, two-year budgets. And when it gets close to where we're about ready to vote on a balanced budget, we're having some pretty serious discussion on \$25,000 and \$40,000 and \$50,000 because, at that point, even that amount of money seems to be significant on a \$7 billion budget. So let's assume that that's where we are right now. We're getting close to being able to vote on a balanced budget and we're in the first year of the biennium. But we forgot this is the year we have to pay 10 percent. Oh, we forgot about this; let's get that item into the budget. And on \$386 million, that's approximately \$38 million. But this is a two-year budget so we've got to double that. That's \$76 million. Now we've all been through this, except for Senator Garrett and he'll go through it next year. We're about ready to vote on a balanced budget and now we have to put in this other amount: \$76 million. Where does it come from? How are we going to do it? What can we do? Well, we can go back into the budget and try to pull out \$76 million, which would involve cutting services. What's the other option? Obviously, it's to raise taxes. But in the kind of budget that we're dealing with, \$76 million is not a small amount. It's a very, very difficult amount. And that's part of this whole discussion because, voting for LB887, eventually that's the kind of decision that we're going to face. [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR CARLSON: And so it's not something that you just forget about. You really have to answer the question: Can we do this? And those of us that say, I don't think we can do it, then we're hardhearted and we don't care about poor people and we don't care about children, we're stingy. But it's a really difficult question because we have to account for that kind of money and we're a state that does balance the budget. So this is the kind of challenge that we're getting into and I think we have to consider all facets before we make a decision and vote one way or another. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Carlson. Senator Brasch, you are recognized. [LB887]

SENATOR BRASCH: Thank you, Mr. President, and good evening, colleagues. I stand to oppose LB887 and also AM2032. AM2418 to AM2032 does have purpose in it. The reason I stand is we've...everyone has received many phone calls, many e-mails. Over this four-day weekend I held eight town hall meetings in our district. We had four on Friday, one Saturday morning, three yesterday, and I had the opportunity to talk with several constituents face to face. Everyone is concerned about medical costs, whether you have insurance, when you don't have insurance. The question is, why are those costs as they stand today? By having the government, the state of Nebraska just pay for

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it, who are we paying exactly? I don't know if Senator Chambers did the math, if LB887 adds up to the number 21. No, it's 23. I'm sorry. But I have, over the interim period, been talking with some of the medical professionals, particularly the pharmaceutical...pharmacists on main street in our district and they've shared with me their stories about costs. They're not saying it's the pharmaceutical companies. They're saying that their ability to survive and their costs have been rising a lot over the years. They're the third-generation pharmacists. Their daughter going to pharmacy school probably will not be able to come back to our small town and it's because of third-party-administrator entities that exist. This particular one, they were explaining, is the PBM manager. As...I was explaining that scenario to some hospital administrators at one of our banquets and they said, you think that pharmacists have a problem with these third-party administrators that are escalating costs? The medical industry is just full of them that there is this cost here, this cost there, this entity here, and it's dollar here, dollar there, pretty soon you're at a thousand and thousands of dollars that by just saying, that's okay, the state of Nebraska will pay for it or the federal government will pay for it, which means that we all pay for it, is not getting down to the bottom of what is happening to raise these costs to the point where health insurance was once something that a family could comfortably budget for, but now we are paying hundreds of entities their piece of healthcare. This isn't solving a problem by just having the state buy into something. Nebraska has been very independent in the past: the way we have a Unicameral; the way we have public power; the way we address many things. We have looked for sound fiscal solutions to resolve difficult financial situations. I don't think this is the route, by pushing it through... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR BRASCH: ...and seeing what comes forward and crossing our fingers and hope that it solves the rising costs of healthcare. I truly believe there is an answer but I don't think this is the one. This is just going deeper and deeper into financial expansion of healthcare costs. Thank you, Mr. President. Thank you, colleagues. [LB887]

SENATOR COASH: Thank you, Senator Brasch. Senator Krist, you are recognized. [LB887]

SENATOR KRIST: Thank you, Mr. President. Good evening again, members of the Legislature, and good evening, Nebraska. I'm happy to follow Senator Brasch because I think she makes several good points. And within LB887 there are, as Senator Gloor has suggested, some major changes in the delivery process of our healthcare system. One of the things she mentioned was the third care...the third parties. That in part is answered in LB887. It takes a different approach to wellness in Nebraska, which includes the medical home formula, which includes a lot of the fixes, so her concerns in some part are answered in LB887; obviously not all, because Senator Brasch is an intelligent woman who reads her bills before she comes up here, so she still has some

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concerns. And I welcome the challenges and the questions about the legislation. To Senator Carlson's questions, I'd like to address Senator Nordquist with a question. [LB887]

SENATOR COASH: Senator Nordquist, will you yield? [LB887]

SENATOR NORDQUIST: Yes. [LB887]

SENATOR KRIST: Senator Carlson brings up some excellent points. We had many discussions in the Health and Human Services Committee about this very item both last year, which I supported, this year, which I...right now I'm not supporting. But do some math for me, if you would, please. If we took 100 percent reimbursement from the federal government for these programs up until...what year, Senator? [LB887]

SENATOR NORDQUIST: The reimbursement goes through 2016, 100 percent. [LB887]

SENATOR KRIST: Okay, that's 100 percent rather than the existing 90/10 that we're taking right now. It goes to 100 percent if we participate. [LB887]

SENATOR NORDQUIST: That's right. [LB887]

SENATOR KRIST: And then it phases out and doesn't really go back down to 10 percent until when? [LB887]

SENATOR NORDQUIST: 2020. [LB887]

SENATOR KRIST: And some of the things that you have talked about and that I know of that we could talk about on the mike, so that it's a part of the legislative record, there are some substantial savings that you noted before, about \$9 million, am I correct? [LB887]

SENATOR NORDQUIST: That's right. So the cost to the General Fund would be in the neighborhood of about \$30 million in 2020 once we pick up our 10 percent share. If we dedicate the CHIP funding that we no longer need that would otherwise go to the General Fund, if we would dedicate that to it, that's \$9 million toward that \$30 million number, and then there are others if you want to keep talking about them. [LB887]

SENATOR KRIST: So my calculations...and I'm not the wizard that you are with the numbers. But my calculations say that if we dedicated ourself to saving the money that we would rededicate or reappropriate in that period of time, we're someplace in the neighborhood of \$60-70 million in savings based upon starting now. [LB887]

SENATOR NORDQUIST: Right. So we have the CHIP funding which adds up to about

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\$46 million between now and 2020. We would also be able to...Director Adams has said that there will be substantial savings in behavioral health because of the Affordable Care Act. We haven't really accounted for any of those. I think we accounted for \$5 million of savings this year. He says it could be as much as \$29 million. Likely, it'll be somewhere in between. Our regions and our behavioral health providers have kind of affirmed that. You know, whatever the number is, we've still got to figure out. But over the next years everyone is in agreement that there will be substantial savings in behavioral health, somewhere probably in the neighborhood of \$10 to \$20 million a year. If you were to capture that and say, this will go to provide health services through Medicaid, I mean, we...by the end of the decade, between the CHIP money and the behavioral health money, we could bank \$80 to \$90 million essentially of...sitting there to pay for this ongoing. [LB887]

SENATOR KRIST: Thank you, Senator Nordquist. I appreciate it. And that, to Senator Brasch's point and to other points and to... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR KRIST: ...Senator Carlson's point, I just want to make sure that people understand this is not willy-nilly, this is not haphazard. This is a program that, if we enter into it, would have to be carefully managed, back to my point, between the executive branch and the legislative branch to make sure that we move forward in the best interest of wellness and health delivery systems in the state of Nebraska. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Krist. Senator Ashford, you are recognized. [LB887]

SENATOR ASHFORD: Thank you, Members. I might ask Senator Krist...I'm just very confused. Senator Krist, may I ask you... [LB887]

SENATOR COASH: Senator Krist, will you yield? [LB887]

SENATOR ASHFORD: You know, you know how much I admire you, Senator Krist. But I'm trying to understand specifically your objection. And let me just...let me preface the question this way. Senator Chambers talked about the Colorado situation where Colorado elected to do a...their own exchange, and that exchange was put into place with the support of conservatives, liberals, everybody...not everybody, probably, but the vast majority of the members of the legislature. And it has worked very well because it has enabled Colorado to...and the hospitals and the physicians and everybody involved in healthcare to work on a local or a statewide kind of a...using the exchange as kind of a platform for further changes, positive changes to the system. But here is my question...and that's why I've absolutely supported the idea of doing a local

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statewide...our own exchange, so that we could bring people together. Is that what you're saying? Is what you're saying, Senator Krist, is you don't necessarily want to vote for this bill this year because we need to have more...what? [LB887]

SENATOR KRIST: If we would have done what we wanted to do last year we would be...and I don't know whether it's "Oregonian" (phonetic) or "Orgonian," (phonetic). But the state of Oregon didn't end up very well. If we're going to do what we are going to do this year, I believe that this is based upon the cooperation of the executive branch to put forward a state plan to CMS to make sure that we can go forward with those exceptions. And to Senator Kintner's point, that's...what Senator Kintner said about a state plan and about going forward, it's not correct. A state plan can work and it has to be of no additional cost to the federal government. So my concern is both, number one, we started out short sheeted because we don't have an exchange; number two, we have a branch that is not going to file the CMS waiver that we need to go forward and go forward. [LB887]

SENATOR ASHFORD: And I appreciate your answer. My concern is that...why would we...I'm rhetorically asking this question, but why would we...as Senator Nordquist has, I think adequately and ably, gone through the numbers to show that there...over the ten year...I've been involved in Medicaid issues here for a long time and I have yet...I have never seen a proposal brought to the Legislature whereby the savings from...by wrapping in other programs that are out there into this program and other savings that, quite frankly, are a little harder to discern, it would in effect create a fund to pay any...a portion of or a significant portion of the state's 10 percent share. Honestly, and I...as you know, I have a great deal of respect for the work you do. I cannot grasp how...why...because the executive branch has chosen not to be a leader or to have the state of Nebraska be in a leadership place on this issue, that that reason is a reason not to accept or to advance a plan which will result in significant savings to our healthcare system, will create a healthier population. There are people...and I was just talking to Senator Chambers. There are so many young people in this state who are trying to... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR ASHFORD: ...trying to figure out a way to pay for their higher education, trying to figure out how to make ends meet, who may have healthcare problems, who can't get healthcare, adequate healthcare. There are people out there that need our help now, that need our help now. And I don't want to not move forward because the executive branch did not choose to put Nebraska in the forefront. Had Nebraska been in the forefront of coming up with a plan, I think we would have done it adequately. I think it would have been a very positive thing. But we didn't do it. That's not a reason, in my view, and all due respect, that's not a reason not to advance this bill. I have perfect faith, Senator Krist, in your ability next year to make this better, to make this better. But let's

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not leave this money on the table. Let's not do it now. We're talking about 2020. That's seven years from now. I'll be in my 70s... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR ASHFORD: ...at that point and I...sorry. Thank you. [LB887]

SENATOR COASH: Thank you, Senator Ashford. Senator Nordquist, you're recognized. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President and members. Just want to clarify a few points. Senator Kintner talked about the waiver being short, only a few years. Those obviously are...those are renewable demonstration waivers. Other states that...like Arizona and Wisconsin had already, pre-Affordable Care Act, moved forward with demonstration waivers to cover this population. This isn't something that was just because of the Affordable Care Act. States had, again, under...in Arizona and Wisconsin moved forward with demonstration waivers to cover this population. And those are renewable, if we want to continue working on that path, if it is budget neutral to the federal government. Senator Kintner also talked about Medicaid poor health outcomes. Any research that shows that Medicaid has poor health outcomes versus traditional health services fails to control for the population that is currently in Medicaid. Medicaid right now covers the disabled, the elderly, the blind, and pregnant women and children. A lot of times, those studies that have shown poor health outcomes in Medicaid don't control for who is in that system. You know, I heard...I received in...one of the e-mails I received talked about how health outcomes are worse, are worse under Medicaid, than not being insured at all. Who in this body is going to forgo going to see a doctor when you're sick? How...I'd like to...if you think that not going to get health services is better than going to get health services, I'd like you to come up and talk to me about that or stand up on the mike and say, yes, I think it's far better to not seek health services when I need them rather than seeking health services. That is just idiotic. We heard people talk about the shortage issue, and I know we have a lot of self-proclaimed experts in this body. But, folks, the medical establishment in our state is speaking loud and clear through the hospital association, through the medical association, through the dental association, through the nurses association, through the OT association, through the PT association, and on and on. I know maybe you spoke to one physician who doesn't like it or, you know, one pharmacist who doesn't like it. But it's clear that the medical establishment in our state says this is the right thing to do and they can absorb the population. Dr. Zetterman, a physician who was the past president of the Nebraska Medical Association said, if you look at what the absolute need is, the 50,000 patients, it would take about 25 providers in Nebraska to care for those 50,000 people; the typical family physician generally cares for about 2,000 people in their practice; that's not really very many when you think out...about all of the thousands of physicians in our state, the need to take care of those 50,000; it is eminently doable.

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Okay, these are people who are working in the field who, as past president of the medical association, works very closely with other physicians around the state and has a good sense of what it takes. And they say it's eminently doable to absorb this population. And we have taken some steps already in our state, through loan forgiveness programs, working on telemedicine. We've also taken steps...the Affordable Care Act has taken steps to expand a graduate loan programs, to expand the healthcare work force in our state. And this bill zeroes in on what we need to do to transform healthcare, and that is moving towards a patient-centered approach that is team oriented and people are practicing at the top of their license. [LB887]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: One minute. [LB887]

SENATOR NORDQUIST: It doesn't make sense just to have more physicians if physicians are doing things that physicians don't need to do. And that's the brilliance of Senator Gloor's approach of incorporating that into this bill is we get more providers to practice at the top of their license, which means we are getting the most effective care out of those patients...out of those providers. Mr. President, the fiscal aspects are what they are. We've talked about it several times, that this amounts to less than one quarter of 1 percent of General Fund spending between now and 2020. I know Senator Carlson has concerns about that amount. That's probably the same amount we're going spend on water that we just appropriated in the budget. I didn't hear those concerns. I didn't hear the concerns from folks when we were talking about an additional \$20 million of property tax relief or whether that was sustainable. This is smaller than both of those issues. So I... [LB887]

SENATOR GLOOR: Time. [LB887]

SENATOR NORDQUIST: Thank you. [LB887]

SENATOR GLOOR: Thank you, Senator Nordquist. Senators in the queue: McCoy, Murante, Schilz, Garrett, Smith, Bloomfield, and others. Senator McCoy, you're recognized. [LB887]

SENATOR McCOY: Thank you, Mr. President, and good evening. You know, earlier in the day, probably two, three hours ago, I believe, Senator Nordquist said, I guess we can trust folks in Washington to spend those free federal dollars or we can spend them here. Well, colleagues, I think that's how we got in this whole mess across America in the first place and why we're \$17-some-odd trillion in debt, because for decades all over this country, time after time after time, it was presented to us that take these dollars, give a little bit of your own, a match, and good things will happen and, if you don't, one of the other 50 states will. Well, at some point, you have to draw a line in the sand and

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say, no more, no more. It was just talked about that in 2020, the year 2020, our full paying 10 percent would kick in. Shauna and I's oldest daughter, Audrey, will turn 17 in 2020...pardon me, 13--I got a little bit ahead of myself. And I think about her and the rest of our four kids. I'm sure you think about your kids and grandkids and the decisions that we make here. You know, many of us go back and we look at transcripts from the floor, from committees, of things that were decided here, decisions that were made, debates that were held in late-night sessions from a long, long time ago, and I would dare say that at some point in the future there will be future members of the Unicameral, maybe in diapers today, that will look back and wonder what we did here. You know, I don't think it's hardly been talked about this afternoon how we got ourselves into this whole discussion in the first place, and that's because the Affordable Care Act, or Obamacare, got passed with not one single Republican vote at the end of 2009, and expansion of Medicaid was mandatory. Now we don't wear partisan labels here. It's a nonpartisan Unicameral Legislature and I'm very proud of that. But they do in Washington. And thank goodness, at the very least, the Supreme Court ruled that this was optional for states, and that's why we find ourselves here tonight. I remain this year the same as I did last year: opposed to mortgaging the future of our state budget on the federal government honoring their commitment to us or any other state. It's been said, well, they've never reneged. Well, they haven't on something like this. Well, we've never been \$17-some-odd trillion in debt either, and at some point that has to end. Senator Schumacher talks about time after time...and I'm a fellow member of the Revenue Committee with him. He talks about, time after time, the risk we place ourselves,... [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR McCOY: ...not only in Nebraska but in America, the risk we place ourselves, the risk, I should say, to the debt we carry in this country. I'm against Obamacare's Medicaid expansion in Nebraska because I don't think it's good for our...the future of our state, my kids, your kids, our grandkids. It's not...it's a one-size-fits-all approach for a state that I love that doesn't fit one size fits all. Some of you know. You grew up miles from a neighbor, like I did. You grew up miles from the nearest physician or hospital. And then we have our urban areas. We have real differences here, not just on this bill but on our differences from other states in the country. That's why I'm against this bill. Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator McCoy. Senator Murante, you're recognized. [LB887]

SENATOR MURANTE: Thank you, Mr. President. Members, good evening. I rise in strong opposition to LB887 and in support of Senator Watermeier's amendment. In instances like this I think it's always good to start off on the positive. I think in...with respects to my colleagues who are in favor of LB887, to the proponents of this bill, the

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level of discourse, the level of debate that we've heard today, has been extremely positive. It has been miles, light years ahead of the debate we had on this subject last year. And to those who feel very passionately that LB887 is the right thing to do, I want to say thank you for the level of discourse. There have been very few instances of all of the floor speeches, and I believe now we're on a little over hour five of this discussion, and I can count maybe ten minutes of floor speeches which, instead of debating the issues...the motivation of the opponents was held into question. And I think it's important to note that I could speak for myself but I feel like I can speak for the remainder of the opponents of LB887 who say that we are not here--and I certainly am not here today--in opposition to LB887 because of the political party of the President who passed it. This isn't anything new. These aren't new subject matters that we're covering. This is an ideological difference. As Senator McCoy said, this is...this...the merits of this issue passed the United States Congress on a party-line vote, and that wasn't all because of the partisanship that runs rampant in Washington. It's because of a philosophical difference in not only what government should be doing but what government is capable of doing. And I think I can speak with relative certainty that, A, as the assertion was, had someone other than President Obama been elected in 2008, first of all, we wouldn't be here having this discussion because the Affordable Care Act never would have passed in the first place; but even if it had, we would still be here having the discussion on whether it's the right thing to do for Nebraska. And I think it's important to note that I appreciate that some on this floor have attempted to distance the issue of LB887 with the issue of the Affordable Care Act, Obamacare. It's understandable. It's not a particularly popular piece of legislation. It's one of the more unpopular pieces of legislation that's gone through Congress in recent years. I've researched a number of articles that detail how basically of members of Congress and candidates running for Congress around the country, basically, we have half who say repeal the entire Affordable (Health) Care Act; and most of the other half say that we have to fix it in some form or fashion, although we're not really provided a lot of details as to how it is to be mended, only that it is to be mended, not ended, as the campaign goes, which is an issue in and of itself for why we should oppose LB887, where I'll detail that in later floor speeches. But we wouldn't be here today having a discussion about LB887 if it were not... [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR MURANTE: ...for the passage of the Affordable Care Act, and that's important to note. It's important to state for the record and it's important for the people of Nebraska who are listening to this debate to hear because the original Affordable Care Act, as it was passed through Congress on a party-line vote and signed by the President, did not give the state of Nebraska the option to opt out, nor any other state. And you have to ask yourselves why Congress initially felt it necessary to compel the states to expand Medicaid if they thought it was such a good idea and why they felt the need to put any mandate if they thought they could come to the states and make the

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argument successfully that it was in our own long-term best interest to do it, because that doesn't make a lot of sense to me. In my view,... [LB887]

SENATOR GLOOR: Time, Senator. [LB887]

SENATOR MURANTE: Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator Murante. Senator Schilz, you're recognized. [LB887]

SENATOR SCHILZ: Thank you, Mr. President and members of the body. Good afternoon. Good evening. This is my first time to speak on the bill and the amendment. And I'd like to...there are specific questions that I would like to ask. And if Senator Campbell would be available, I would like to ask her a couple questions. [LB887]

SENATOR GLOOR: Senator Campbell, would you yield? [LB887]

SENATOR CAMPBELL: Certainly. [LB887]

SENATOR SCHILZ: Senator Campbell, thank you very much. And we know this amendment right here that Senator Watermeier has put in talks about the Institute for Healthcare Improvement. And could you outline for me who that group is, what they do, and what their aims of improving health and consumer patient experience of care are? [LB887]

SENATOR CAMPBELL: Senator Schilz, thank you very much for the question. I am in the queue, so...we do want all the colleagues on the floor to know that we support the amendment that has been brought forward. It is a group that we picked up from an article. We don't know perhaps as specifically about all of the ins and outs of that organization, and so we think that it is an excellent amendment that Senator Watermeier has brought forward to take it from the intent. [LB887]

SENATOR SCHILZ: Thank you. And then going down the line, as I was looking through the bill yesterday and today and getting prepared for the debate here, my next question goes down to page 1, line 18, and it says...and it talks about encouraging personal responsibility through health benefits. How does the state plan to encourage personal responsibility through legislation? [LB887]

SENATOR CAMPBELL: That is an excellent question, Senator Schilz. And we have put into the bill...the personal responsibility is to say to people, you do need to have some skin in the game. We had looked at whether we wanted to have copays. We currently have copays in our current Medicaid program. But we chose to have a premium that people would pay and to be responsible for their health. If they met certain wellness

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benchmarks, that premium could be waived because our whole intent here is to incentivize people to follow through and get good, preventative, ongoing care. [LB887]

SENATOR SCHILZ: Right. And so if they qualify for this program, depending on other things that happen, but if they qualify for this program and this part is in there, because it's not necessarily in there from what I understand, but if this part is in there, then you would have incentives that would go there. Does Medicaid allow for incentives and things like that to happen or prepays or somebody else to pay those things? I'm just asking. [LB887]

SENATOR CAMPBELL: Senator, in the waivers that we looked at and we studied, five major state's bills and obviously we took a look at Arkansas and Iowa and both of them have been approved, and I believe it is also Iowa that has premiums and because they put it in a waiver program and they're trying to do the same thing that we're trying to do here, CMS accepted that in their waiver. [LB887]

SENATOR SCHILZ: And their waiver was accepted, I see. Okay. And talking about that, we...and you're talking about the medication (sic--Medicaid) expansion demonstration waiver that would be put in place, correct? [LB887]

SENATOR CAMPBELL: That is correct. [LB887]

SENATOR SCHILZ: And can you explain to me, because I've tried to figure it out in here and there's a lot of talk about what it...how we would put that together, but there's not a lot of the talk of what it would actually be. Do you have a narrative of... [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR SCHILZ: ...to talk about that and what that would actually look like going forward? I know there's parts and pieces in here, but it all has to be negotiated, from what I understand, correct? [LB887]

SENATOR CAMPBELL: That is correct. Each state that has gone the waiver route, because they said, we just don't want to accept the Medicaid expansion dollars, we want to tailor our plan to our state...and, therefore, in a waiver, that's what you're doing, you're saying, I want to demonstrate certain things and I want to research certain things. The ultimate goal, Senator Schilz, is that, I think, after we looked at all of this over the course of time, we would alter our own current Medicaid plan based on what we have learned through WIN. [LB887]

SENATOR SCHILZ: Okay, thank you, and I'll pick up on my next one. But thank you very much for answering the questions. [LB887]

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SENATOR GLOOR: Thank you, Senator Schilz and Senator Campbell. Senator Garrett, you're recognized. [LB887]

SENATOR GARRETT: Thank you, Mr. President. Good evening, members. I have to applaud both sides of the aisle here. We've had some spirited and lively debate. And obviously there's a lot of passion on both sides of the aisle. I kind of jokingly was thinking earlier, from the testimony I've heard today, LB887 would cure everything from baldness to cancer. Heard a lot of talk about Nebraska values and I've got to...I'm a firm believer in Nebraska values. And part of Nebraska values is...includes not spending money that we don't have. And the way we talk about the numbers here, it's almost like it's Monopoly money and we're talking about all this federal money as if it was free money. I look at, through FY '20, the total federal funds that would be expended for Nebraska, it was over \$2 trillion. And then I started thinking, we're a pretty small state. I can only imagine what the numbers are for California, for Texas, I mean, we...there's 50 states. You start throwing those numbers around, and probably you don't need a reminder, but the U.S. federal government is \$17.5 trillion in debt, \$17.5 trillion. That is mind numbing. And I...you've heard me say this before, I feel like we're hogs feeding at the trough, you know. It's...this is not free money. We talk about the taxes we pay. How can we in good conscience continue to add to that deficit? If all the states think like this, then we're doomed because we'll never get out of debt. The federal government, you know, they're paying 100 percent for the first two years or whatever. With the kind of debt and the kind of financial situation we're in, they're writing checks they can't cash and at some point we're going to have to stop the madness. This thing is going to come home to roost. And if we pass this Medicaid expansion, just try and take those benefits away from folks in a couple of years when we get to where we can't afford it or the government, the federal government, pulls out their money. I'm kind of reminded of a personal situation. My wife and I give quite a bit to charities, as well as our company, and I'm amazed at the number of charity requests we get. We support as many charities as we can possibly support and we get inundated with requests from a lot of great causes. But we certainly can't support each and every one of those charitable causes. I mean, we ourselves would go broke. I've got a family to feed and business to run and I feel the same thing is happening here. It's like my heart goes out to the folks that are in need and...but again, we just don't have the money to be able to afford everything. I heard one disingenuous comment, I felt was disingenuous this morning, about how we on the conservative side of the aisle are arguing for tax breaks for millionaires and billionaires like Pete Ricketts and Warren Buffett. That's not why we're asking for tax breaks. We're asking for tax breaks for economic development. I'm a small-business guy and the way out of so many of our problems is jobs, jobs, jobs. We need economic development. And when we're arguing for tax breaks, it's to put money back in the hands of small businesses and people, the consumers, who are going to go out and stimulate the economy and create more jobs. So we're not asking for tax breaks for millionaires and billionaires. And I heard a statement earlier, as well as, we can't just say no. Oh, yes, we can, because we can't afford to say yes. So I'm also...part of this

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is...reminds me of contributing... [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR GARRETT: ...to the delinquency of--thank you--contributing to the delinquency of a minor. It's like we're giving a credit card with an unlimited amount of credit on it to someone who is bankrupt. We've just got to draw the line in the sand. Again, I think we've taken our eye off the ball. It's not about...it's all about economic development and jobs. We need to put more people to work. We need economic development. Jobs is not the panacea to everything, but it sure would solve a lot of our problems. And I really feel like we've lost our way. You know, capitalism built this country. But it seems like all too often we're ready to demonize capitalism. We're one of the most heavily taxed and antibusiness countries in the world and we can't continue to do this; we can't continue to think this is free money. We've got to be responsible for our own financial situation here in Nebraska and we can't contribute to the delinquency of a minor and continue to feed at the trough... [LB887]

SENATOR GLOOR: Time, Senator. [LB887]

SENATOR GARRETT: Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator Garrett. Members in the queue: Smith, Bloomfield, Campbell, Crawford, Brasch, and Kintner and others. Senator Smith, you're recognized. [LB887]

SENATOR SMITH: Thank you, Mr. President, and good evening, colleagues. This is the first time I've stood to speak on this issue. And I just wanted to say how much I appreciate the tone of the discussion that we've been having. And I consider a discussion as not really a harsh debate. I think we're...both sides are expressing their opinions of the bill, the intentions of the bill, their concerns with consequences of the bill. And I do greatly appreciate the civility that...in the discussion that we're having this evening. And I don't think any of our...my colleagues here have ill will towards anyone in our state. I believe that we're all here serving as state senators for...out of a desire to serve in our communities. Most of us served in other capacities in our communities and it led us to this place. And regardless of how we differ on our opinions, I think we can accept that we all are, in our hearts, are here for the right reasons, that we want to leave a better state for our children and for families and children of our constituents and those that may not even be Nebraskans yet or those that may not even be born yet. I think we all want to do the right thing. You know, and Senator Chambers doesn't always talk about the good that he does in his community, but I think he's a fine example to all of us. I hear of the many, many things he does in his community to, you know, really put his words into action, actually put his...in so many words here, I guess, puts his money where his mouth is. And he serves and he cares and he gives back, and I know many of

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my other colleagues do the same thing. And like many in the Chamber, I express my compassion through efforts in my community as well. So with that said, I think all of us want to do the right thing by those that we represent, and we have different philosophies and approaches to how we want to see that carried out. And I think that's what this discussion is about is how best to achieve the best for Nebraskans. And so I'm hoping that I can have a little exchange here before I talk later on this evening about the reasons I cannot support LB887. But I would like to just have an exchange with maybe one of the introducers of LB887 and I'm asking if Senator Crawford would yield to a question. [LB887]

SENATOR GLOOR: Senator Crawford, would you yield to questions? [LB887]

SENATOR CRAWFORD: Yes. [LB887]

SENATOR SMITH: And Senator Crawford is another person...I've had an opportunity to work with Senator Crawford in Sarpy County. And we don't always agree on everything, but I know that she has the best of intentions as well in the legislation she brings forward. So, Senator Crawford, I know you're one of the architects or sponsors of the underlying bill and the amendment, AM2032. And on the first page...Senator Schilz was having an exchange with Senator Campbell about how she felt that this encourages personal responsibility. There's a couple of other very good goals on that page 1. One is, you know, talking about lower per-capita cost; another one is economic benefit; and then the third was personal responsibilities. On economic benefit, on line 15 of the bill, it talks about how this strengthens our state's economy. [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR SMITH: Can you talk to me a little bit about, just at a 30,000-foot level, if you would, how you see this bill affecting and strengthening the state's economy? [LB887]

SENATOR CRAWFORD: Absolutely. So two primary ways, and there are many others, but two I'll start with. And the first is that, as we've said many times on the floor, it brings billions of dollars of federal investment into our state. And so that then is revenues that then allow people to be hired, allow us to have more health providers, and allow people to make salaries and buy things and groceries and go out to eat which then gives other people more jobs. So that billions of dollars that comes to our state gets circulated through our state and is a...will definitely be a huge economic boon. The second one is a little more subtle, but one that's very exciting to me as someone who likes to encourage entrepreneurship and small businesses, and that is that this provides... [LB887]

SENATOR GLOOR: Time, Senators. [LB887]

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SENATOR CRAWFORD: ...this provides a safety net. Thank you. [LB887]

SENATOR GLOOR: Thank you, Senator Smith and Senator Crawford. Senator Bloomfield, you're recognized. [LB887]

SENATOR BLOOMFIELD: Thank you, Mr. President. Good evening, colleagues. Senator Chambers, I just want you to know that I did go across the hall, I did enjoy an evening meal, and I did not bow down to the lobbyists that brought it in. I believe there are a vast number of members of this body that can enjoy an evening meal without giving in to where a lobbyist might stand on a particular issue over a \$10 meal. But that being said, Senator Nordquist mentioned earlier on that when we were discussing property tax relief, the extra \$20 million, we didn't bother to ask whether or not the state could afford it. Well, somebody must have. We voted that down on the floor, as I recall. I remain hopeful that we will do the same with LB887. And if Senator McCoy could use some time, he can have the remainder of mine. [LB887]

SENATOR GLOOR: Senator McCoy, 3:44. [LB887]

SENATOR McCOY: Thank you, Mr. President, and thank you, Senator Bloomfield. I'd like now to direct my attention less to the general...my general opposition to LB887 and more specifically to Senator Watermeier's AM2418, which I think is...brings up a very good point and he talked about it in page 1 of the bill. And I'll read that, where it says, it is necessary to improve the health...and this is again AM2032 as it was advanced out of the Health and Human Services Committee, the committee amendment: It is necessary to improve the health of and healthcare coverage for uninsured adults in a Nebraska in a manner that strengthens Nebraska's healthcare system in accordance with the Institute for Healthcare Improvement's aims of improving health consumer and patient experience of care...and it goes on to talk more about that. You know, I pulled up on my gadget, as many of you, I'm sure, could or may have up to this point, and I find it very interesting as you look into what the Institute of Healthcare Improvement and their history, their supporters, their vision, mission, and value statements that are all readily available on their Web site. And I have to say, colleagues, it's somewhat troubling. I think Senator Campbell might have said earlier, well, we found it in a magazine, or something. I think there's probably more thought that went into this bill in many other areas. Maybe that was all the more thought that was given to it. I don't know. Not questioning that necessarily, but I am saying I think this is troubling because if you look at their Web site, the countries where they have done an awful lot of work, ironically enough or perhaps not ironically, Canada, England, Scotland, Denmark, Sweden, a good number of countries, colleagues, that have socialized medicine, a single-payer system, if you will. I would submit that this is troubling. It's not the direction that I think Nebraskans want our healthcare to go; I don't think it's the direction Americans want our healthcare to go. But we've seen how abysmal this rollout has been of Obamacare. I'll go back to what I said earlier: We're in this position... [LB887]

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SENATOR GLOOR: One minute. [LB887]

SENATOR McCOY: ...thank you, Mr. President...because it was forced on us. Yes, it's optional in the states. But it never would have...I would agree with Senator Murante, we wouldn't be here tonight in all likelihood had this not been foisted on us in Washington back at the end of 2009. I don't support this bill. I think it's troubling that we're involving an organization like this as part of this committee amendment and, I would dare say, so would a lot of Nebraskans. Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator McCoy. Senator Campbell, you're recognized. [LB887]

SENATOR CAMPBELL: Thank you, Mr. President. And I much appreciate the question to Senator Crawford because Senator Crawford and Howard and Nordquist are far more than just cosponsors here. They truly are also architects and worked very hard on the policy that went into LB887. I am indebted to them for their help. I do want to mention and go back to the comment Senator Garrett made about the money. And part of the thing that we all need to realize is that in the ACA, for better or worse, there were a number of fees and taxes put into place that Nebraskans are now paying. And it is that money that is being paid by Nebraska citizens right now, because of that, that we would like to see our money come back to Nebraska. I do not want what Nebraskans are paying in their fees and in the taxes that were put into place there for a check that's written to Iowa or Colorado. It deserves to come back here. And I appreciate very much Senator Garrett raising those questions, and I thought it was a thoughtful question that I needed to respond to. We've also had a number of questions about when do we ever do anything and put a program in place and then we get rid of it. Well, I have three examples for you. Participants in the Aid to Dependent Children, the ADC program, did not have a lifetime limit for years. However, in the 1990s, the Legislature limited participation in the ADC to 60 months or a lifetime, and we have never gone back and restored what was originally there. The second example is, in 2002, Governor Johanns eliminated eligibility for children in assistance for 1,800 children to balance the budget. There were some very tough times and I'm sure that was a very tough decision for then-Governor Johanns. Eligibility levels for families has never been restored to the 2002 level despite several legislative committees looking at it. And the third example is one that I participated in. It was LR542, and that was also a very tough time in which every committee had to come forward with suggestions. And the Health Committee struggled and struggled with what should we put, and we put forth a bill that reduced services and programs to permanent residents. Those are people that had come into the country, had applied to come into the country. These were not illegal folks. They followed the process and they were in...on their way to getting U.S. citizenship. But because of budget considerations we said, we can no longer support that program. And I'm sure, for those people, they were glad to have it while they did, but that program has

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never been restored. So the Legislature does take action and it does say, on programs, if we cannot afford them, we will take action. And I would like to say, colleagues, I have put in an amendment, to respond to Senator Pirsch's question, strengthening what would happen if the federal dollars fell below the 90 percent. And I appreciate that question and I did put in an amendment to address it and make...give more solidarity to that section of the bill. Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator Campbell. Senator Crawford, you're recognized. [LB887]

SENATOR CRAWFORD: Thank you, Mr. President. I rise just to set the record straight on a couple of points that we've been discussing here on the floor. And first of all, I would like to speak to my colleagues' concerns about the federal budget and their concerns about whether or not they can feel comfortable voting for this because of their concerns about federal spending. So I want to set the record straight on that, that the Affordable Care Act, as Senator Campbell said, it was passed with fees, taxes, etcetera, that allow...that pay for that program. But more than that, the Congressional Budget Office estimates that the Affordable Care Act creates a savings of \$143 billion, and that includes what we're talking about today; it included...it includes an assumption that states would expand Medicaid and the federal government would be paying 100 percent for three years and then gradually go down to 90 percent. With that provision...with those provisions we're debating right now, the Congressional Budget Office estimates in March of 2010 were that we would have a savings of \$143 billion. So if you're concerned about the deficit and concerned about spending, it's important to correct the record, that you understand that this is a program that is projected to have savings in terms of deficits. And I'm sorry that Senator Kintner is not here right now because he has asked, and often asked, can you give me any other examples when we've actually saved money? And, yes, I can, when we've had major federal changes like this. So in the 1980s we had the prospective payment system, a change in how we handle Medicare for hospitals. At that time, the CBO projected \$10 billion of savings. And, colleagues, what actually happened? We had \$21 billion in savings. It is the case that major federal healthcare reform can result in savings. It is the case that it is sometimes even more savings than the CBO projections. In 1997, we had changes in our skilled nursing facilities and the Balanced Budget Act, changes to skilled nursing facilities, home health, fraud abuse, abuse reductions. At that time...and the CBO projected that we would have \$112 billion in savings, and what we actually had was in the first year we had 50 percent greater savings than the CBO projected and then 113 percent greater projections in 1999. So it is the case, number one, that this package we're talking about is part of a package to save money; and, two, our...the projections that we have had for past major initiatives like this, the CBO has actually underestimated the savings. And so if you are concerned about federal spending, then it is important for you to recognize that this is part of a package to actually reduce federal spending and address the deficit. How much time do I have remaining? [LB887]

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SENATOR GLOOR: A minute 30 seconds, Senator. [LB887]

SENATOR CRAWFORD: Thank you. In that time I will just address the issue about primary care. So there have been some questions, concerns about primary care. And let me remind my colleagues: If you're concerned about primary care, concerned about making sure we have enough providers for primary care, it's critical that our patients are able to pay those primary care providers. And I want to remind you, one of the critical issues we've talked about over and over again in terms of making sure we have enough providers and that we're supporting our providers is improving our reimbursement rates. And so I want to make sure that you understand in this package we're talking about now, in the years when the federal government is paying its 100 percent, it has increased by 39 percent the reimbursement rates to physicians. Thirty-nine percent, it's a nice, healthy increase in reimbursements to encourage more people to start a clinic and encourage and provide support for more primary care providers. Also want to let you know that those increased provider rates are currently accounted for in the budget, in the fiscal note that we've been talking about. So that increase in reimbursements is in the planning and in the fiscal notes. When we talk about that this is only going to be a quarter of 1 percent in spending, that's with increasing those reimbursements to our providers to encourage more providers to come to the state... [LB887]

SENATOR GLOOR: Time, Senator. [LB887]

SENATOR CRAWFORD: ...and support the providers that are in our state. Thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator Crawford. Senator Kintner, you're recognized. [LB887]

SENATOR KINTNER: Well, thank you, Mr. President. Well, Senator Crawford, I heard what you had to say, and you talked about saving \$10 billion versus \$5 billion on some program. That's at the same time we're spending trillions of dollars. You're talking about spending...saving \$10 billion on a program that costs trillions and trillions of dollars? Really? The whole program increased 31,000--get it straight here--31,212 percent. And we're talking about, well, we did this change and it saved one-tenth of one-half of a percent or something. I don't...I can't figure that. You just have to look at these government programs. You know, you want to look at one that's more recent? How about the Medicare prescription drug program? And, well, that's come in right now at only double what they said it would. So I guess that's a victory. It beats 31,000 percent difference. A couple other things real quick...well, you know what, let me go to something else that Senator Krist said and...about waivers. The last year of the Bush administration, Indiana got a waiver for their Healthy Indiana program. It's a health savings account where they put people in a health savings account. It empowers people

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to make their own healthcare decisions versus empowering the government, like this administration likes to...wants to do with Obamacare. During their first two years, their healthcare costs went down 18 percent while ours were rising in double digits in our state. They were going the exact opposite of the way we were going. There has been no more waivers like that at all. I had my...I checked with the Department of Insurance here in our state and I checked with our Legislative Research Office and there's been virtually no waivers that would let a state do anything creative other than the basic, top-down program. And then this last year, as states were starting to reject Medicaid expansion, the administration has given temporary waivers to kind of get people to take a bite of the apple. But I suspect the apple goes away in two years. So, you know, I...to be prudent with taxpayer money I would...how would I spend my own money, you know, versus, you know, the same way I would spend other people's money. I'm not going to take risk with it. I'm going to protect the taxpayers. And I think that's one of the most important things that we can do is to be very careful and treat this money like it's our money. And I understand there's real lives at stake. But once again I'm going to say it again: To take a bad program is worse than having no program. And since I had mentioned both Senator Krist and Senator Crawford, I can only yield to one. I usually, if I mention someone...I'm going to yield to Senator Krist only because I told him I'd be talking about him. I want him to have a chance to respond to what I just said. So I'd like to yield the remainder of my time to Senator Krist. [LB887]

SENATOR GLOOR: One minute, 40 seconds, Senator Krist. [LB887]

SENATOR KRIST: Thank you, Senator Kintner. That was very kind. The waiver program is one of the ways that a state can take advantage of a state-designed program that's good for that state, not necessarily a top-down-directed program, you're absolutely right. There are several examples out there and I'll give you a couple for just our state. First of all, a waiver, as I said, is one of the ways that you can tailor something. A waiver needs to be cost neutral for it to be approved and it needs to further the goals and aims of the federal program. So you have to work your waiver process around those two major conditions. And I'd bring, as an example, our state, for example, has a waiver program in place that allows us to do much more in the dental area because that's not a policy or program at the federal government that goes as far as we do, and I think it works very well for anyone who has a state plan here that they realize the benefits of a dental program. And I'd also cite the Ryan White waiver at the federal level which provides programs for AIDS patients. [LB887]

SENATOR GLOOR: Thirty seconds. [LB887]

SENATOR KRIST: So there are definitely waiver programs out there that do good things, both the one Senator Kintner highlighted and several in the state and at the federal level. Thought that would be interesting information for the body. Thank you. [LB887]

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SENATOR GLOOR: Thank you, Senator Kintner and Senator Krist. Senators in the queue: Nordquist, Wallman, McCoy, Krist, Murante, Schilz, and others. Senator Nordquist, you're recognized. [LB887]

SENATOR NORDQUIST: Thank you, Mr. President and members. And I know we had a few members stand up recently and commend the level of dialogue that we had, I think Senators Murante and Senator Smith, and one of them said: well, it's great we haven't gotten to the point of questioning people's motives. And then moments later Senator McCoy stands up and questions, flat-out questions, the motives of the introducers by including this component, these goals, which are widely accepted internationally, healthcare goals, and tries to suggest that Senator Campbell is trying to bring socialized medicine into Nebraska. Well, that's a shame. It's a shame we went down that road, Senator McCoy. The fact of the matter is, this approach is nothing like that. We are returning our federal dollars that we paid to Washington, we're bringing those back. And now under LB887 we're saying, we're going to take those private dollars, give them to private health insurance companies to expand healthcare coverage in our state to the entire population that we're talking about here. For those below 100 percent of poverty we're going to take those federal dollars that we paid in, we're bringing those back, and we're going to pay those to our managed care companies, and those companies will assume risk. They will say, we are going to accept a flat, per-member, per-month payment to provide healthcare for these individuals, and if it costs more, we're on the hook for it. We have private-sector companies providing that care and then we're giving, for those between 100 and 133 percent of poverty, we're giving them the ability to go onto the exchange and purchase a private health insurance plan. There...I don't know how you could in any way associate that with socialized medicine unless Coventry and United and Blue Cross are part of some big socialism conspiracy in our state. And I want to put into perspective what we're doing here and why we're doing it. The \$60 million that we're talking about between now and the end of the decade, again, it equates to less than one-quarter of 1 percent of total spending, \$60 million. Between now and the end of the decade we're going to spend \$1.1 billion in tax incentives for businesses in our state, \$1.1 billion for Nebraska Advantage, and we can't find \$60 million to cover the low-income, working Nebraskans who, probably a lot of them, may be working for companies that are receiving Nebraska Advantage tax credits. But this isn't just about those individuals that will get coverage. It's much bigger than that. This is about any Nebraskan with a private health insurance plan. Milliman, who our Governor and Department of Health and Human Services contracted with to come up with their estimates, did a study nationally and said that, on average, a family pays about \$1,017 more a year in health insurance premiums because of the uncompensated care cost that's hidden when fees at hospitals go up, because they have to offset the uncompensated care. Those higher fees then are paid by insurers, and premiums then go up because of that, about \$1,000 a year. Our Nebraska...University of Nebraska Medical Center College of Public Health did a study

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which shows with the expansion we are looking at reducing that uncompensated care amount by 61 percent. [LB887]

SENATOR GLOOR: One minute. [LB887]

SENATOR NORDQUIST: So \$419 million total we're going to be reducing the total uncompensated care amount which then, if you...if it's a 61 percent reduction across the board, it's going to equate to as much as \$600 a year for the average Nebraska family that pays health insurance premiums, \$600 a year less they will be paying in their insurance. That's real money in their pockets. That's more than any tax cut we've talked about in this body in the last few years. For the average Nebraska family, \$600 is a substantial amount. Or we can continue the broken system that we have where they continue to pay the hidden tax in their insurance premiums for uncompensated care. That's one of the choices we have before us here, one of the implications of choosing not to move forward with LB887. Thank you. [LB887]

SENATOR GLOOR: Thank you, Senator Nordquist. Senator Wallman, you're recognized. [LB887]

SENATOR WALLMAN: Question. [LB887]

SENATOR GLOOR: Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Have all voted who care to? There has been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB887]

CLERK: 33 ayes, 0 nays to place the house under call, Mr. President. [LB887]

SENATOR GLOOR: 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. The house is under call. Senators Burke Harr, Wightman, Ashford, Kintner, Wallman, Chambers, Coash, and Avery, please return to the Chamber and record your presence. Senator Avery, please record your presence. Senator Wallman, all members are accounted for. How would you like to proceed? [LB887]

SENATOR WALLMAN: Thank you, Mr. President. Machine vote. [LB887]

SENATOR GLOOR: The question is, members, shall debate cease? All those in favor...Senator Wallman, we have a machine vote. Your options... [LB887]

SENATOR WALLMAN: Yes, yes. [LB887]

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SENATOR GLOOR: Call-ins or...? [LB887]

SENATOR WALLMAN: Yes, call-ins. [LB887]

CLERK: Senator Ashford voting yes. Senator Burke Harr voting yes. [LB887]

SENATOR GLOOR: Record, Mr. Clerk. [LB887]

CLERK: 25 ayes, 16 nays to cease debate, Mr. President. [LB887]

SENATOR GLOOR: Debate does cease. Senator Watermeier, you're recognized to close. [LB887]

SENATOR WATERMEIER: Thank you, Mr. President. I feel like a legislative master. I came up here to kill the bill and you're going to pass my amendment, I think, from what I heard the Chairman say. My intention was not to make the bill better. But when I first saw this and I looked at this and I thought, this is going to be in statute, doesn't make any sense. I'd be glad to have this go into the bill to make it a better bill, but we will continue on the debate the rest of the evening. I could speak a long time on this right now, but I'll just let the vote stand as it is. So thank you, Mr. President. [LB887]

SENATOR GLOOR: Thank you, Senator Watermeier. Members, the question is, shall the amendment to the committee amendment to LB887 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB887]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of Senator Watermeier's amendment to the committee amendments. [LB887]

SENATOR WATERMEIER: The amendment is adopted. Raise the call. [LB887]

CLERK: Mr. President, Senator McCoy would move to amend the committee amendments with AM2331. (Legislative Journal page 942.) [LB887]

SENATOR GLOOR: Senator McCoy, you're recognized to open on your amendment. [LB887]

SENATOR McCOY: Thank you, Mr. President. I bring to you this evening AM2331 to the committee amendment, AM2032. If you go to the...to page 20 of the committee amendment, starting on line 27, through page 21, line 25, I want to outline a number of things that are very concerning to me because, try as I might, maybe one of the introducers will enlighten me if I am wrong, there are a number of terms and phrases that are used in this area of the committee amendment that definitions aren't provided

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anywhere. And this amendment seeks to strike this. We'll start with line 2 on page 21: Health homes shall have designated providers--I don't find a definition for designated providers; later on in that line, "a whole-person approach"; line 3, "culture of continuous quality improvement"; line 4, "multidisciplinary team"; line 6, "dedicated care manager"; line 8 on page 21, "a single integrated care entity"; line 14 on page 21, "appropriately arranging for health-related services." Colleagues, I don't see definitions for these terms. They appear to be important and integral to this committee amendment and, if they are not, it'd sure be nice to know. We're putting them in statute, to Senator Watermeier's point. I think that's important, especially with something of this magnitude. I find it troubling any time we deal with a piece of legislation, and we oftentimes talk about this, where we mention something in statute and we don't have a definition for it or a clear definition at the very least. It's difficult, as we all know, with the myriad of issues that we deal with in this Unicameral to handle challenges when we're dealing with vague generalities and we have to guess. Well, I don't want to guess when we're talking about the healthcare for Nebraskans. And I would agree with something Senator Smith said earlier: Hopefully all of us, all 49 of us, want the very best, the very best healthcare for Nebraskans. I do. But I'll use my family, for example. This has very real consequences, Obamacare and Obamacare's Medicaid expansion. You know, my family was one of those thousands of Nebraska families that got the letter: You no longer have insurance, your plan went away. And someone might say, well, how is that relevant to this discussion tonight? It's very relevant. It's very relevant because it's all intertwined. We all know this is a huge issue. It's been looming over us all session long to get to today. And Senator Nordquist talked about, earlier, over a billion dollars in tax incentives to businesses. Well, guess what, I'm very thankful we're one of just a few states that requires businesses to put up the jobs, to create the jobs before they get the incentives, unlike many states across the country. So that billion dollars in tax incentives means jobs for constituents in your district and my district and all across this great state. I'm glad that that's how we go about our business in this state. We don't do things the Washington way. We all know that. We do them the Nebraska way. I don't think LB887 is the Nebraska way. I don't think Nebraskans, the vast majority of them that I talk to, want to see us hope and pray the federal government will honor their commitment so that it doesn't end up in cuts to education, to young Nebraskans, and the inability for us to cut taxes with the citizens of our state that need them the most. I'm not in favor of this bill. I have real problems with this area of the bill. And this amendment seeks to highlight parts of this legislation that I just have to scratch my head and wonder, what are we trying to do here? I don't see definitions. I don't see clear-cut guidance. And we just passed an amendment that Senator Nordquist just stood up and said, well, I don't know why we're doing this because these are clearly universally accepted guidelines around the world. Well, if that's the case, why did we just pass that amendment? I think we'd better think long and hard about what we're doing here. Hopefully we are, but sometimes I have to wonder. There is entrenched interest on both sides of this issue and probably plenty in the middle too. But guess who is in the middle: 1.8 million Nebraskans. And there's a lot of families like mine and like yours who this has real

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significance for, who work hard every day just trying to provide for their family. And my family is a great example of this had very negative consequences for. Our premiums went up. We're a healthy family and I'm thankful for that every day. And there's lots of us out there like that. This isn't the way to go about providing healthcare in the best way possible to Nebraskans. This isn't the best way to provide for those who are vulnerable. This is a Washington way and a one-size-fits-all approach that doesn't fit Nebraska. And there's a lot of Nebraskans that don't like it and who are watching really closely what happens tonight and what happens tomorrow because it has very real consequences for budgets in this building for many, many years to come. Thank you, Mr. President. [LB887]

SENATOR COASH PRESIDING

SENATOR COASH: Thank you, Senator McCoy. Members, you've heard the opening to AM2331. Senator McCoy, you're recognized. Senator McCoy waives. Senator Krist, you are recognized. [LB887]

SENATOR KRIST: Good evening. Thank you, Mr. President, and good evening, colleagues, again, and Nebraska. Senator McCoy is right. The actions that will be taken here tonight will have grave consequences for budgets for years to come. And to get to the point of understanding how this will affect our budgets, I think that members need to know what they're talking about. Senator Murante made a comment when he was on the floor on the mike a little while ago, and many people have made this same comment: We're not...we're here because the Affordable Care Act got us here. Okay, so let's be reasonable. As I have said on this mike before, you need to understand the subject matter and we need to deal with wellness and healthcare systems in Nebraska for years and years to come. The Affordable Care Act is a three-legged stool. It was designed as a three-legged stool. When you eliminate a leg out of the stool or you shorten it, it becomes weaker. Now, arguably, what has happened in the last two years by executive order that many would say is illegal is that things have been exempted, things have been removed, things have been taken out of the Affordable Care Act, and there are grave, unintended consequences for every time you try to tweak the system. There is no argument. But, colleagues, if I could ask for a show of hands for anybody who understands the acronym "DSH," I bet most of you would talk about a plate in which to eat from. So you need to understand the situation that we're in right now. When Senator Lathrop got up a few minutes ago or a few hours ago or whatever it was and said, understand what's going to happen to your hospitals in greater Nebraska, go talk to those healthcare administrators, those healthcare professionals, about DSH. The acronym stands for "disproportionate share hospital" payments. So here's a dilemma for you: If you take money out of one silo, which that silo goes directly to your hospitals as a DSH payment, and you fund part of the Affordable Care Act by putting that money in another silo, which, colleagues, is what we're taking money out of if we participate in the Medicaid expansion, guess what happens? We don't participate in expansion, that

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money is not available to us, our hospitals don't get it, our hospitals use DSH to offset the walk-in emergency room issues that were never paid for. So if you're serious about solving the problem, if you're serious about going forward and talking about healthcare in Nebraska, read LR22 and read what's happening to the hospitals. Now DSH was supposed to have been phased out this year. And with all the delays and all the executive order promises and all the things that have happened with the Affordable Care Act, it's not going to be phased out this year. You'd have to ask Senator Howard or others. I think it's a year or two away. But we're going to have to deal with it. So to Senator McCoy's point, absolutely, there will be budget impacts for years and years to come. Why aren't we talking about the problem, the problems that were created? If those at the federal level would rescind, get rid of, blow up the Affordable Care Act tomorrow and we'd be back to baseline zero, then we can have this discussion, yes or no, up or down, or, worse, cloture or no cloture. But they're not going to and we're going to have to live with this and we're going to have to see the impact of this budgetarily for the next few years, decades. So this is a line-item budget item. If we don't do something to replace DSH, your small-town hospitals, because I don't have any in Douglas County, your small-town hospitals are not going to survive. Call them up and ask them. Little things like that, that are unintended consequences of the Affordable Care Act as it currently exists, those are the things that we'll have to budget for. If Senator Campbell would yield to a question, I'd appreciate it. [LB887 LR22]

SENATOR COASH: Senator Campbell, will you yield? One minute. [LB887]

SENATOR CAMPBELL: Certainly. [LB887]

SENATOR KRIST: You may not have the number, and I apologize for not telling you in advance that I was going to call you to the mike. But can your staff or someone in the next few dialogues on the mike feed the information? What does that reduction in DSH mean to us as a healthcare industry in the state of Nebraska, the reduction or the phaseout? And again, I'm not trying to put you on the spot. If you have it, that's great. If you don't, we can get it to our colleagues in the next few hours. [LB887]

SENATOR CAMPBELL: Senator Krist, my colleagues are helping me out here. It's...the DSH would be \$27 (million) to \$32 million to our hospitals--annually, annually. [LB887]

SENATOR KRIST: Annually, so that means...let's just use the \$22 (million) figure. That's \$44 million dollars in a biennium budget. [LB887]

SENATOR CAMPBELL: Correct. [LB887]

SENATOR KRIST: That's a big number. So you that do not want to change this in any way, you that want to call for us to do nothing about healthcare today,... [LB887]

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SENATOR COASH: Time, Senators. Senator Murante, you are recognized. [LB887]

SENATOR MURANTE: Thank you, Mr. President and members. And thank you, Senator Krist, for your comments and for the courtesy of informing me before you began that you had some commentary on my previous floor speech. And I think, believe it or not, Senator Krist, I agree with a significant portion of what you said. It is certainly true that the Affordable Care Act that initially passed through Congress has been changed in a number of ways. I don't think that's a disputable point. In some cases it's been changed through executive order. In other ways it's been changed through regulation through federal agencies. There's no doubt about it. And I think that's an important point to bring up when we're talking about making what I believe to be a permanent change in Nebraska through LB887. And we can have the discussion about the likelihood of Nebraska ever rescinding what's within LB887 if we pass it in the first place, but I think the record on repealing government programs is pretty clear and I don't intend to spend a lot of time articulating why, once this gets passed, it's never going to go away. But we do know that the federal law is changing, it has changed, and it will continue to change, and I brought that up in my first floor speech. I'd like to quote, in part, an article printed on February 16, 2014, in The New York Times. The headline of the article is, "On Health Act, Democrats Run in Fix-It Mode." And it starts by talking about representative Ann Kirkpatrick, a Democrat of Arizona, an ad that she's running. Part of the ad says that the narrator's voice remains tranquil, even as he turns to a more cutting message about President Obama's signature healthcare law. Quote: It's why she blew the whistle on this destructive (sic--disastrous) health care Web site, called it "stunning ineptitude," worked to fix it, he says, before adding, Ann Kirkpatrick: Seeing what's right (sic--wrong) and doing what's right. And the article continues, as Democrats approach the 2014 midterm elections, they are grappling with an awkward reality: Their President's health care law--passed with no Republican votes--remains a political liability in many states, threatening their ability to hold on to seats in the House and the Senate. As a result, party leaders have decided on aggressive new strategy to address the widespread unease of the new healthcare law, urging Democratic candidates to talk openly about the law's problems while also offering their own prescriptions to fix them. The article continues from there, but I bring that up for a specific reason. The one thing that we can be assured of is that, regardless of which side of the aisle wins the 2014 congressional race and who controls Congress, both sides are actively campaigning to change the status quo. And what's that change going to look like? We don't know. They could come up with anything. We don't know who is going to take Congress. All we know is that there is going to be a mandate because everyone running for Congress says the system is broken and it needs to change. But we are talking about what is... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR MURANTE: ...functionally a permanent change to the state of Nebraska because, if this gets passed and Congress makes serious alterations to the Affordable

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Care law, we are going to be stuck with LB887. And we can talk about the plausibility of this Legislature taking away a benefit like this. But I think we can point to numerous examples within the past two years of our inability to take away any level of spending on any subject matter, whether we're talking about an obsolete railroad inspector or anything we talked about in the budget. It's a difficult thing to do, we don't like to do it, and understandably so. But there comes a point where we have to take a step back and say, what's happening in Washington is going to change. And before we make a permanent decision in the state of Nebraska, we ought to figure out... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR MURANTE: ...what that final solution is going to look like. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Murante. Senator Schilz, you're recognized. [LB887]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. I was asking some questions earlier and we've moved on from that amendment and gone a ways back on the bill and that's fine. But as I sit here, I had some of the same questions that Senator McCoy had. There's a lot of terms in here that I don't necessarily understand and I don't know if there is any definitions for these in the bill. I didn't see. There may be some for some of them, but...and maybe some of these terms are just things that are well-documented that I'm just not in the proper field to know all the vernacular. But let's give it a try anyway. You know, it talks about a whole-person approach of care within a culture of continuous quality improvement. I mean, that sounds good. I don't know quite...and I'd need somebody to answer to me and I'll give folks a chance to come on their mike and explain what that means and how that works to get us where we need to be. And I see a lot of the services that are out there and talks about...you know, we talk about health homes and multidisciplinary team, medical, mental health, substance abuse, social workers, nurses, other care providers, care managers, you know, integrated care entity, a single integrated care entity. Would Senator Campbell answer a question, please? [LB887]

SENATOR COASH: Senator Campbell? [LB887]

SENATOR CAMPBELL: Certainly. [LB887]

SENATOR SCHILZ: Thank you. Senator Campbell, can you tell me what a single integrated care entity would be and how would that be applied? And is there a process that one would go through to pick a single entity? [LB887]

SENATOR CAMPBELL: A single integrated entity, Senator Schilz, could be an

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accountable care organization that's put together by a group of physicians; it could be a federally qualified health clinic in which you're...what you're trying to do there with a single point of entry so that the person doesn't have to go to behavioral health or to physical health or try to go to all those entities. [LB887]

SENATOR SCHILZ: So we're talking, like, a one-stop shop. [LB887]

SENATOR CAMPBELL: Essentially, yes. [LB887]

SENATOR SCHILZ: Right, you go and get everything handled all at once, all in one place. Okay. That I understand. Would there be...I mean, when you say a single entity, is that one for the whole state or is that one for here and one for there? It says...how do we define single entity? [LB887]

SENATOR CAMPBELL: Senator Schilz, it's sort of like patient-centered medical home. It's not necessarily a place, but it is a system whereby you're bringing in a single entry to that system to provide care to an individual. What you're trying to do in health homes is you're really trying to deal with folks who have very serious, chronic health conditions. Some of them are mental health. And you want to ensure that you've got a system that can come together to serve them on multiple levels of need. [LB887]

SENATOR SCHILZ: And I take it that this is part of that waiver process that we talked about before. This is what would be part of the meat of that, correct? [LB887]

SENATOR CAMPBELL: Senator Schilz, what we're trying to do here is to say, okay, what would be certain, what would be some model, some pilot, some demonstrations that we ought to look at? This would be one of them, yes. [LB887]

SENATOR SCHILZ: Okay. And then...and if I understand it correctly, some of these pilots that could possibly be done here, some of these have been done already, correct? [LB887]

SENATOR CAMPBELL: In...that we've looked at in other states, yes. Some of the states have tried them already. [LB887]

SENATOR SCHILZ: Did we not do some of these... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR SCHILZ: Thank you. Did we not do some of these in Nebraska in certain areas, these patient-centered medical homes or whatever you...they are called? [LB887]

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SENATOR CAMPBELL: Yes. We did have a pilot for that, and the very best person is sitting to my right over here and Senator Gloor could certainly answer those questions. [LB887]

SENATOR SCHILZ: Right. Yeah, and I...thank you, Senator Campbell. I appreciate that. I think it's important to note that we have started down the path of figuring out where we need to go and what we need to do, and we haven't had to pass this to get there. If it...now the question becomes...and we do need to continue this conversation because there are folks out there that are finding it hard and having struggles in getting access to quality healthcare, as well as any healthcare, and being able to afford it. And I... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR SCHILZ: Thank you. [LB887]

SENATOR COASH: Senator Karpisek, you are recognized. [LB887]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I just had to hit my light again. When we talk about it's...we have to draw the line somewhere, we have to draw the line on taking federal money, why didn't we draw that line on roads funding? Why didn't we draw that line anywhere else where we get federal money? Why didn't we say, as Nebraska, we are not going to have our farmers take any farm subsidies, period, we're tired of going in debt all these ways? Why didn't we tell them, we're not going to let our farmers take crop insurance and get about 55 percent of it subsidized? Why didn't we say that? We get a lot of federal money and this talk about "we've got to stop it somewhere" gets to be nonsense because you want to take every other dime that they give. And it's our money. Let's not forget we keep hearing: It's our money. It is our money. Let's get it back to Nebraska. This money isn't going to go to stop the flow and help the budget. It is not going to do that. It's going to go somewhere else. This money can come back and create jobs. I'm tired of hearing that this is where we're drawing the line. Let's back up about three steps and draw the line there and then see how everybody wants to talk about not taking any more federal money. I'd like to yield the remainder of my time to Senator Gloor, Mr. President. [LB887]

SENATOR COASH: Senator Gloor, 3:30. [LB887]

SENATOR GLOOR: Thank you, Mr. President, and thank you, Senator Karpisek. Let's go back to some of the terminology. And I understand we're playing "beat the clock" here, but some of the terminology that we're discussing is already in statute; some of it's in federal statute; some of it is just common usage. "Designated provider" is no more required to define than "designated driver." I think we know what a designated driver is supposed to be and I think we understand who a designated provider would be--somebody who is designated. "Multidisciplinary team," that's defined in and used by

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the department when it comes to behavioral health, as an example. Dedicated care manager--if we want to, we can strike out some of the descriptors--it doesn't have to be a "dedicated care manager." It can just be a "care manager" if we're comfortable with that. Or "appropriately arranging for health-related service," we don't have to be "appropriate." We can just arrange for health-related services and assume professionals will make appropriate decisions. So, you know, I'm not too hung up here on the definition, but I also understand the intent isn't to have us come up with necessarily a better piece of legislation. I'm not in support of this amendment, by the way. I think we strike a lot of language out of here that helps and would help somebody who went back to try and understand what we were attempting to do with this legislation, should it pass, and striking out large sections make that even more difficult and put us at risk of making the same sort of errors that those who are concerned want to try and avoid. I'll take the rest of my time just to make a comment about the Medicaid system because this isn't a zero-sum game. What I've heard continuously is that if we don't spend this money we'll...if we don't add people to Medicaid, we won't be spending money. But in reality that's not the case. People will continue to seek care and services. We know that. And we'll be forced by federal legislation that requires people to be seen who come to the ER, we'll be forced to continue to provide care and somebody is paying for that. People are getting sick. People are seeking services. [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR GLOOR: If we don't expand and take advantage of the opportunity to pick up these additional dollars, at some point in time in the future the demand for services by Nebraskans, including those who will have lost their insurance for a variety of reasons, will be such that we've got a major problem we have to deal with. So the question is, when are we going to deal with that problem? And this is an opportunity and an option to do so. Can't ignore that there is a problem. The current system isn't sustainable. Doctors and other healthcare providers are saying, with increasing rapidity, we can't afford to take care of these people with what you pay us. And our solution historically has been, to save money, we pay even less in the actual cost of providing care. That's not a sustainable system, folks. So at some point in time,... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR GLOOR: Thank you, Mr. President. [LB887]

SENATOR COASH: Senator Nelson, you are recognized. [LB887]

SENATOR NELSON: Thank you, Mr. President, members of the body. I haven't spoken up to this point. The hour is late. I have some reservations and especially some questions on the constitutionality of some provisions of LB887. I'm not going to get into that right now. I do have a comment or two. I think earlier I heard Senator Karpisek

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maintain that this was not an expansion of the Affordable Care Act, of Medicaid. It certainly is an expansion if we decide to take it because it's part of the Affordable Care Act, the entire coverage. So fortunately the Supreme Court said that that part of the Affordable Care Act was up to the states to determine whether they wanted to be part of it. I have a question or two of Senator Krist if he would respond. [LB887]

SENATOR COASH: Senator Krist, will you respond? [LB887]

SENATOR KRIST: Sure. [LB887]

SENATOR NELSON: Senator, thank you, Senator Krist. You questioned earlier if any of us had read LR422. Are you talking about the resolution itself or a report that was...came out of that? [LB887 LR422]

SENATOR KRIST: Senator Nelson, I referred to the completed LR22, which is on your gadget and has been distributed. That was last year's interim study. And then this year we passed an extension on another year of interim study. That number is LR422. So I referred to both numbers. [LB887 LR22 LR422]

SENATOR NELSON: LR422. [LB887 LR422]

SENATOR KRIST: Yes, sir. [LB887]

SENATOR NELSON: Okay. And because of that extension and the hearings held by that committee and good testimony from NCSL, the idea of that was to develop policy and a wellness program for the state of Nebraska. Is that correct? [LB887]

SENATOR KRIST: Yes. The intent...purpose was to look at (inaudible)... [LB887]

SENATOR NELSON: And ultimately then we have a revised LB561 (sic) in the form of LB887. Is that correct? [LB887]

SENATOR KRIST: LR22 led to some of what is in LB887, but I am not a drafter or did not participate in it, so you'll have to direct that question to Senator Campbell. [LB887 LR22]

SENATOR NELSON: Oh. All right. All right. One other question. You said that DSH was supposed to go away and it probably will in two or three years. Why is that going away? [LB887]

SENATOR KRIST: Senator, when the money was taken from one pot to fund the Affordable Care Act, many pots were robbed, many silos were taken, and they were moved to a different silo. So at the federal level, in order to make the three-legged stool

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work, they took money away from different pots and put money into different pots. This DSH money, as it's called, which would have gone, or did go, and still does in some aspects, to the hospital was taken out and put into this effort of Medicaid expansion. [LB887]

SENATOR NELSON: On the assumption that all of the states would go ahead and implement the entire act. Is... [LB887]

SENATOR KRIST: When it was mandatory, that is correct, and we know what happened with the Supreme Court ruling. [LB887]

SENATOR NELSON: So the result is that if half of our states have elected not to do that...and so that's why they're going to be without. Is that a consequence of their determination they don't want to expand Medicaid on the state level? [LB887]

SENATOR KRIST: Yes, sir, and in fact it would be advisable for our federal officials to go back and try to reverse that action because some states, if you elect not to go into Medicaid expansion, should receive DSH and those that don't should not receive DSH. [LB887]

SENATOR NELSON: Right. And it's going to result in a penalty unless it's changed and they do... [LB887]

SENATOR COASH: One minute. [LB887]

SENATOR NELSON: ...put it back in. Is that correct? [LB887]

SENATOR KRIST: I believe that that's correct. [LB887]

SENATOR NELSON: All right. Thank you. [LB887]

SENATOR KRIST: You bet. [LB887]

SENATOR NELSON: At this time I'll give the rest of my time to Senator Kintner if he so chooses to use it. Thank you, Mr. President. [LB887]

SENATOR COASH: Senator Kintner, 50 seconds. [LB887]

SENATOR KINTNER: All right. You know, I wanted to say that this morning I saw about 50 concerned citizens, taxpayers, out in the lobby that were concerned about this and they were encouraging us to vote no. And I thought that was a great, great moment that they had taken some time off of work and come down here to make their voices heard because last year it was all lobbyists and, you know, they have the...a lot of ways to

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spend your money. It's good to see a taxpayer standing up and saying, no, this isn't what we want, we don't want this expanded, this is not right for our state. And I thought it was great that they came down and made that point and I think that's a good day for our state. And it's time that the citizens stand up and say, enough, and I think they have and they're starting to and... [LB887]

SENATOR COASH: Time, Senator. [LB887]

SENATOR KINTNER: ...I feel good about it for our state. Thank you, Mr. President. [LB887]

SENATOR COASH: Senator Mello, you are recognized. [LB887]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I've heard some interesting arguments, some interesting comments, interesting floor debates over the last three hours. And while I respectfully will have to disagree with my colleague, Senator McCoy, in regards to what his amendment is trying to do, I think it's okay that we have a disagreement in regards to the underlying philosophy of what this concept of LB887 is trying to do. I think it's okay that there is maybe a more pragmatic way of looking at things compared to an ideological way of looking at things, and that's okay. We have those disagreements and I can have that healthy, respectful disagreement with my colleague, Senator McCoy. One thing that does cause me to pause a little bit is when I hear arguments of convenience, particularly in light when it deals with fiscal policy. I have yet to look at the fiscal note for LB887 where I am seeing the same fiscal impact that Senator McCoy is seeing in respects to future cuts to public education. Why: because we haven't done a biennial budget four years or six years from now, so we know that is really not the case. And as I mentioned earlier...and I can appreciate Senator Garrett, who remarked...some of the remarks he made earlier on the floor today in respects to tax policy. We will have to have a health disagreement because I've done a little research of looking at LB405, a bill that was introduced last year that would have raised taxes on 80 percent of Nebraskans and would have given the benefit to the wealthiest 20 percent at a high, astronomical number. I looked at LB1097, introduced this year, which would give...61 percent of the tax cut would have went to the wealthiest 20 percent. Now we can have a disagreement, colleagues, on whether or not that's good tax policy or bad tax policy or, as I mentioned earlier, Senator McCoy and I can disagree in respects to how he gets to that public education funding cut six years down the road that I haven't been able to identify and see yet because I'm looking at fiscal projections and I only get that through next biennium. And I guess the point is, is that we need to be careful in regards to once again making these arguments of convenience. I can respect if you disagree with LB887 because you don't support what happened in Washington, D.C. That's fine. That's a legitimate disagreement that good people can disagree on and we know that's occurring. But what I can't stand by and I can't allow to happen is for members to make artificial arguments of convenience when it deals with

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fiscal policy. There is not public education being cut if you pass this bill. If you think that is the case, I will stay as long as I need to tonight for you to walk me through a budget process six years from now that shows me how that's done. The reality is we all know that's not reality. And so all I'd ask is, when you oppose this or you support it, there's one fiscal note, as I mentioned earlier today on the floor, that's the one fiscal note that we all operate from. If you don't like it, you can stand up and say you don't like it. But you don't get to change it. You don't get to say it's not right. You don't get to say, well, you know, if they would have took this, this, or this into consideration it would be what the Governor's numbers are saying is going to happen if we pass this bill. Colleagues, we don't get to do that. And if you try to do that, I'll have to politely and respectfully disagree with you on the mike and off the mike because that's not how we pass public policy in this body. And we can have those disagreements. We can have good public policy debates. But when you make an argument of convenience, when it comes to fiscal matters, in trying to sell your argument that you are right, the facts are on your side, disregard what is officially the, I would say, legal document that we operate from, colleagues, we're just not being sincere with each other and we're not being sincere in our floor debates... [LB887 LB405 LB1097]

SENATOR COASH: One minute. [LB887]

SENATOR MELLO: ...in conversations when we use those tactics or that strategy. I have appreciated the floor debate on this bill in the sense that there are people who have tried to make a good case against it, a good case for it, and the reality is I think we all know where most people are at. I think this is, right now, a unique policy that tries to address an issue that we know we will have to address at some point in time. There is a coverage gap whether we pass LB887 or not. This issue will not go away at sine die this year. It will not go away whoever is the next Governor or whoever is the next Legislature. Healthcare and healthcare reform will be around for a long time. We can all agree and accept that. So let's just be mindful as we try to make our arguments and our debates, to try to stick to the facts and try to separate opinions, particularly when it relates to fiscal policy, as it affects the state this biennium and future bienniums. Thank you, Mr. President. [LB887]

SENATOR COASH: Thank you, Senator Mello. Items, Mr. Clerk. [LB887]

CLERK: Mr. President, I have an amendment to be printed to LB887. Senator Krist would like to add his name to LR490. (Legislative Journal page 942.) [LB887 LR490]

And a priority motion: Senator Lautenbaugh would move to adjourn the body until Wednesday, March 19, at 9:00 a.m.

SENATOR COASH: Members, you're heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.