

Transcript Prepared by Clerk of the Legislature Transcribers Office
Banking, Commerce and Insurance Committee February 03, 2020

WILLIAMS: [RECORDER MALFUNCTION] is Matt Williams. I'm from Gothenburg and represent Legislative District 36, and I am honored to serve as Chair of this committee. The committee will take up the bills in the order posted. Our hearing today is your part of the public process. This is your opportunity to express your position on proposed legislation before us today. The committee members will come and go during the hearing. We have to introduce bills in other committees and are sometimes called away. It is not an indication that we are not interested in the bills being heard, it's just part of the process. To better facilitate today's proceeding, I ask that you abide by the following procedures: please silence or turn off your cell phones; move to the front row when you are getting ready to testify. The order of testimony will be the introducer first, followed by those in support, then those opposed, and then any neutral testimony, and then the senator will be asked if they would like to close. Testifiers, please sign in, hand your pink sign-in sheet to the committee clerk when you come up to testify. And when you start testifying, please spell your name for the record. Be concise. It is my request that you limit your testimony to five minutes. We do use a light system. The green light will be on for four minutes, followed by one minute of yellow light, and then the red light will come on. And when that happens, we would ask you to conclude your testimony. Written materials may be distributed to committee members as exhibits only while testimony is being offered; hand them to the page for distribution to the committee and the staff when you come up to testify. We will need ten copies. If you do not have ten copies, please bring them up to the page and we will have those made for you. If you will not be testifying at the microphone, but would like to go on the record as having a position on a bill heard today, there are white tablets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become part of the permanent record at the end of today's hearing. To my immediate right is committee counsel, Bill Marienau; to my far left at the end of the table is committee clerk, Natalie Schunk. And I would ask the committee members to introduce themselves today, starting with Senator McCollister.

McCOLLISTER: Thank you, Senator Williams. John McCollister, District 20, central Omaha.

KOLTERMAN: Mark Kolterman, District 24: Seward, York, and Polk Counties.

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QUICK: Dan Quick, District 35, Grand Island.

LINDSTROM: Brett Lindstrom, District 18, northwest Omaha.

La GRONE: Andrew La Grone, District 49, Gretna and northwest Sarpy County.

HOWARD: Sara Howard, District 9, midtown Omaha.

GRAGERT: Tim Gragert, District 40, northeast Nebraska.

WILLIAMS: And our page today is Lorenzo, who is a student at UNL. At this time, we will begin and open our hearing on LB760, presented by Senator Kolterman to require health insurance carriers to provide coverage for asynchronous review by a dermatologist by way of telehealth. Senator Kolterman.

KOLTERMAN: Good afternoon, Senator Williams, members of the Banking, Commerce and Insurance Committee. My name is Mark Kolterman, M-a-r-k K-o-l-t-e-r-m-a-n, and I'm here today to introduce to you LB760. This bill ensures that Nebraskans, no matter where they choose to reside, have the ability to access quality health care via telemedicine, specifically in regards to asynchronous review, otherwise known as store-and-forward by a dermatologist. To break that down a little bit, if you're a patient in Gothenburg, Nebraska, and you visit your family physician who notices a suspicious area of skin on your forehead, that physician can take a photo and submit it to a dermatologist whose specialized knowledge allows them to access, diagnose, and treat the suspicious area. What was found, however, is that the photo is sent to a dermatologist who's not participating in the live conversation. In other words, a dermatologist is asynchronously reviewing it at a later time and replying then that service is not being covered by all insurers. Is within-- it is with that issue in mind that LB760 was developed. Following my testimony this afternoon will be Dr. Ashley Wysong, founding chair of the UNMC Department of Dermatology; as well as, Geri Schmid, the executive director of Payor Relations and Managed Care Contracting for Nebraska Medicine. They will discuss not only what is being seen across the state in need, but also the specifics of what is being seen on a payer front. Additionally, I've handed out an amendment that would become the bill. Discussions are ongoing on this language, but I ask for my fellow members, all of you, to consider the need presented here today. And once amended, move this bill forward for consideration by the full body. With that, I thank you for your time and I would be happy to try and answer any questions. I prefer

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that you wait and ask the tough questions for the followers. Thank you.

WILLIAMS: Are there questions for Senator Kolterman? Seeing none, we would invite our first supporter of the legislation. Welcome.

ASHLEY WYSONG: Thank you. All right. Well, good afternoon. Thank you so much for the opportunity to speak on behalf and in support of LB760. My name is Ashley Wysong, A-s-h-l-e-y W-y-s-o-n-g. I am a cancer epidemiologist, skin cancer surgeon, and board-certified dermatologist. And as mentioned, I have the pleasure to serve as the founding chair of the Department of Dermatology at the University of Nebraska Medical Center. I would like to share with you a little bit about the field of dermatology and the need for improved access of care in our state. When I was recruited to Nebraska in 2018, we had one of the lowest rates of dermatologists per capita in the United States. Specifically, Nebraska has only one for every-- one dermatologist for every 52,000 people. The recommended ratio of dermatologists in the country is one for every 20,000 people. Our team has worked extremely hard over the last 18 months to successfully recruit 7 additional board-certified dermatologists to our state. However, we have a long way to go, particularly in our rural areas. Our next available dermatology appointment to be seen in Omaha for a face-to-face visit is May. Despite our dermatologists overbooking their clinics often to 130 percent of-- or more of their scheduled templates, we simply can't get to patients fast enough. This concerns me, particularly in light of additional information we're gathering about the ever growing need for expert services across Nebraska. One area that concerns me in particular is the growing rates of skin cancer in our state. What you may not know, is one in every four Americans will develop a skin cancer in their lifetime and it's one of the fastest growing cancers in the United States. And I'm going off a little bit here, but actually if you add up all other cancers that we try-- treat in the United States and add them up, skin cancer outnumbers all other cancers combined by fourfold and is continuing to rise. According to the Centers for Disease Control, Nebraska has seen a huge leap in melanoma, the deadliest form of skin cancer. In fact, melanoma of the skin is the fastest growing cancer in the state of Nebraska, with a 10.2 percent estimated annual percent increase, which you can see in the figure here below. This is compared to 2.2 percent nationally. Most concerning, Nebraska has seen significant increases outpacing the rest of the country in women under the age of 50. From 2011 to 2015, we saw an annual percent increase of 17.8 percent. What

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this equates to is a doubling, doubling of the rate of melanoma in our state in women under the age of 50 every four years. To evaluate this further, we partner with the College of Public Health at UNMC. And attached, you can see a handout are county-by-county data for the incidents rates of melanoma in our state. Compare this to the national rate of 22 per 100,000 individuals, and you can see that we outnumber that national average in a majority of our counties. We also sought to identify the number of dermatologists per 100,000 individuals in our state. And as you can see, there is a major mismatch at some of our counties with the highest rates of melanoma are ours from a dermatology specialist. My team immediately leapt into action and have been working on developing a store-and-forward dermatology or asynchronous telehealth platform, which has rapidly become the standard of care to improve access to specialists in dermatology. Specifically, it utilizes forwarding of cutaneous images along with clinical information to allow for quick diagnosis and/or triage of appropriate patients. We consulted with numerous healthcare systems and experts across the country as we've developed our tele--tele dermatology platform over the last 15 months. Our new e-consult program will allow rural health providers immediate access to board-certified dermatologists. Specifically, our e-consult program provides a HIPAA compliant provider-to-physician consult to allow our patients to remain in their home counties for the majority of specialty care to reinforce the primary care provider as the center of the care team and to lower the overall cost and time to treatment for our patients. It also prevents what we like to call curbside consults, where providers reach out unofficially with limited information leading to privacy issues, medical legal liability, and likely an inferior standard of care specifically for our rural patients. Since 2017, 40 states have adopted robust policies or received awards that have improved coverage and reimbursement for telehealth. Private payer parity and removing restrictions on face-to-face patient setting were two of the most common issues that were taken up by state legislatures to improve patient access across our country. In 2019, CMS began payment for such services. However, we're having difficulty solidifying reimbursement through our private payers. LB760 will clarify that telehealth services shall be reimbursable, of course, when deemed medically necessary. In summary, I believe that LB760 will clarify reimbursement for asynchronous review of store-and-forward telehealth images and clinical information and allow us expanded access of dermatologic and other desperately needed services to all corners of our state. I see this as an opportunity for Nebraska to join the at least 29 other states, along with Washington, D.C., in

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covering store-and-forward transfer and to help lead the nation in telemedicine and improved patient access. All Nebraskans deserve equal access to medical expertise. Thank you and I'm happy to answer any questions.

WILLIAMS: Thank you, Dr. Wysong. Questions? Senator McCollister.

McCOLLISTER: Yeah. Thank you, Doctor, for being here.

ASHLEY WYSONG: Absolutely.

McCOLLISTER: You mentioned other states are trying to resolve this very same issue.

ASHLEY WYSONG: Um-hum.

McCOLLISTER: When it comes to the rates, are the providers asking for the same rate as an on-premise visit?

ASHLEY WYSONG: Um-hum. Great question, and I think that varies state to state in terms of whether or not there are equal parity laws in place, and I think that's being worked out across. From what I understand, there is an equal parity in around 16 states at this point and many are working toward that. The way CMS has handled it is on average the, the asynchronous visits are being billed at around 80 percent of what a face-to-face visit would be. But I think it varies state by state and it varies by insurance negotiations with, with the hospitals and other--

McCOLLISTER: What's the lowest rate you've heard?

ASHLEY WYSONG: That I can't tell you. I could get that for you, though.

McCOLLISTER: Thank you. Thanks, Doctor.

ASHLEY WYSONG: Um-hum. Absolutely. I will take that as a to do.

WILLIAMS: Additional questions? Doctor, from a diagnosing standpoint,--

ASHLEY WYSONG: Um-hum.

WILLIAMS: --is everyone comfortable that, that the issues you're looking at can be diagnosed this way?

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ASHLEY WYSONG: That's a great question, and I think technology's continuing to change on a literally week-by-week basis. There are lots of studies that are going on in terms of quality of image resolution and ability for a board-certified dermatologist to diagnose. But the vast majority of, of individuals believe that we can diagnose, diagnose the vast majority of things, or at least triage it to say this really should be biopsied. This should be handled by trying this or this should really actually go ahead drive into Lincoln or Omaha for further care. And so-- but there are ongoing studies in terms of what really can and cannot be diagnosed. The other thing that's happening, too, is we actually have what's called teledermoscopy, which allows for five to tenfold increased magnification of a specific spot and that also improves the diagnostic ability of, of what we call the store-and-forward or the asynchronous visits.

WILLIAMS: And I live in one of those areas on those maps--

ASHLEY WYSONG: Yes, sir.

WILLIAMS: --from-- and, and have experienced it not being able to get in. If your-- if you have this procedure in place and you do see a diagnosis, we still have this shortage of dermatologists to be able to see the person and actually do the biopsy.

ASHLEY WYSONG: Um-hum.

WILLIAMS: How do we fill that gap? Or can you get them in quicker if you already know that they have this?

ASHLEY WYSONG: That's exactly it. We would, we would get them in much quicker if we knew that they already have that. In addition, we're looking at ways to train on-site providers, physician extenders and other specialists to be able to perform basic bedside biopsy techniques and really to just save the most complex cases that would need to be traveling.

WILLIAMS: OK. Thank you.

ASHLEY WYSONG: Um-hum.

WILLIAMS: Any additional questions?

GRAGERT: I just--

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WILLIAMS: Yes, Senator Gragert.

GRAGERT: Thank you, Senator Williams-- Chairman Williams. The number of dermatologists per 100,000 on this chart,--

ASHLEY WYSONG: Um-hum.

GRAGERT: --and I'm looking northeast Nebraska,--

ASHLEY WYSONG: Um-hum.

GRAGERT: --and around Norfolk it's showing zero. I know there's a dermatologist. I wonder--

ASHLEY WYSONG: Um-hum, um-hum.

GRAGERT: --what's, what's with the chart then? What's--

ASHLEY WYSONG: Is it with 2016 or what year? Have they been-- how long have they been there?

GRAGERT: Oh, quite awhile.

ASHLEY WYSONG: And is it a board certi--

GRAGERT: Oh, never mind, I think I answered my own question.

ASHLEY WYSONG: OK. OK.

GRAGERT: Hundred thousand individuals [INAUDIBLE]--

WILLIAMS: There you go.

ASHLEY WYSONG: Yeah, there you go, there you go.

GRAGERT:--[INAUDIBLE]. Never mind. Thank you.

ASHLEY WYSONG: Um-hum.

WILLIAMS: Seeing no questions. Thank you for your testimony.

ASHLEY WYSONG: Thank you for the opportunity.

WILLIAMS: We'd invite our next proponent. Welcome.

GERI SCHMID: Thank you. I'm Geri Schmid, G-e-r-i S-c-h-m-i-d. I am executive director of Payor Relations at Nebraska Medicine. Nebraska

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is essentially a four payer commercial market, two of those payers have policies against asynchronous reimbursement. And as Dr. Wysong just laid out, in a very rural state like Nebraska, we need the ability to extend our physicians to the entire state. I am available today to answer any questions about the payer-provider relationships involved. Thank you.

WILLIAMS: Thank you for your testimony. Questions? You mentioned two payers that do not. Who are those?

GERI SCHMID: Aetna and Blue Cross.

WILLIAMS: OK. And your other providers do make these payments?

GERI SCHMID: The other payers do, yes.

WILLIAMS: Do they pay at the same rate as they would if they-- if the patient actually walked into the dermatology clinic?

GERI SCHMID: They pay at rates that we negotiate. And sometimes it is as much and sometimes it is not.

WILLIAMS: Any additional questions? Seeing none, thank you for your testimony. I'd invite the next proponent. Welcome.

MANDI CONSTANTINE: Hi. I'm still a little raspy from a cold, so brought my water with me. My name is Mandi Constantine, M-a-n-d-i C-o-n-s-t-a-n-t-i-n-e, and I'm here today to testify on behalf of CHI Health and the Nebraska Hospital Association in support of LB760, introduced by Senator Kolterman, which would require an insurer to provide reimbursement for asynchronous review by a dermatologist delivered through telehealth on the same basis and at the same rate as the insurer would apply to those services if said services have been delivered in person. According to the Fall 2019 State Telehealth Laws and Reimbursement Policies report published by the Center for Connected Health Policies, a department of the National Telehealth Policy Resource Center, 50 states and the District of Columbia reimburse for live video, 22 state Medicaid programs reimburse for remote patient monitoring, 19 states reimburse for telehealth services to the home, and 14 state Medicaid programs reimburse for store-and-forward or asynchronous telehealth, with four additional jurisdictions: Hawaii, Mississippi, New Hampshire, and New Jersey; enacting laws requiring Medicaid to reimburse for asynchronous telehealth, but yet to publish official policy. Telehealth private

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payer laws is one of the areas of telehealth policy that has seen the most growth since CCHP's first report was published in 2012, when 17 states passed telehealth private payer laws. As of today, 40 states and the District of Columbia have laws that govern private payer telehealth reimbursement policies. Georgia's law, which went into effect January 1 of this year, requires telemedicine services be reimbursed on the same basis, as well as at least the same rate as in-person services, with reasonable compensation to the originating or distant site for the transmission cost incurred during the delivery of these services. Minnesota private payer law states, private payers are required to provide coverage for telemedicine in the same manner and at the same reimbursement rate as other services provided in person, and a health carrier must reimburse at the same rate as the health carrier would for in-person delivered services. Delaware private payer law states, a payer must reimburse the provider for the diagnosis, consultation or treatment of the patient on the same basis as in-person services for telemedicine. And insurers must pay for telemedicine services at the same rate as in person. My point in providing the overview of telehealth reimbursement law in other states is to demonstrate that Nebraska is behind the curve in requiring parity for reimbursement for telehealth services. Most states have already moved in this direction because they understand that the expansion of telehealth services is key to providing access to healthcare in the future, and especially in rural areas. In Nebraska, not only are private payers and self-funded employee benefit plans not required to reimburse telehealth services the same as in-person services, they are also not required to cover telehealth services the same as in-person services. They must simply provide a description of what services they do cover and cannot exclude services solely because the services are delivered through telehealth. According to our Revenue Cycle Division, approximately 50 percent of the Medicare approved telehealth services that we bill are not reimbursed by private payers in Nebraska. This includes telehealth outpatient office visits, telehealth emergency room consultations, and telehealth psychiatric diagnostic interview examinations. Private payer coverage and reimbursement parity would significantly improve our ability to recruit providers, to deliver services through telehealth, and to provide telehealth services to every patient regardless of their location in Nebraska. This bill proposed by Senator Kolterman addresses this issue in the context of dermatology, and we support it as a first step in the right direction, and would encourage additional services now or in the future. By supporting this bill and telehealth parity in reimbursement, you can continue your positive transformation

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of healthcare delivery in Nebraska. I made it through without coughing.

WILLIAMS: Thank you, Miss Constantine. Any questions? Senator McCollister.

McCOLLISTER: Yeah. Thank you, Senator Williams. And thank you very much for being here. The telehealth network is already set up. Isn't that correct?

MANDI CONSTANTINE: Actually, the Statewide Nebraska Telehealth Network was dissolved in December of 2019-- or 2018.

McCOLLISTER: What was that?

MANDI CONSTANTINE: The, the broadband network, it was dissolved.

McCOLLISTER: Isn't that a bad thing?

MANDI CONSTANTINE: Is that a bad thing?

McCOLLISTER: Yeah. I mean, why was it dissolved?

MANDI CONSTANTINE: It was dissolved due to lack of technical support. That support had to be provided by in-kind. And when that network stood a long time ago, it was actually initially technical support was funded for that network. And then when that funding went away, it was up to the original organizations for-- to provide technical support at no cost. And they did that for over ten years and probably the last three years we worked with the Public Service Commission to see if we could come to some kind of resolution either to redesign that network or to get funding to support it. And when we could not come to a decision in agreement, it was let go.

McCOLLISTER: Now I'm really confused. OK, you're, you're asking to provide an additional service by telehealth, correct? If there's no network, how do you intend to provide that service?

MANDI CONSTANTINE: OK. You don't have to provide it through that network. The infrastructure has changed so much that every hospital that has basically an Internet connection can connect to another hospital. You don't have to go through a specific network to do that, sir.

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McCOLLISTER: I understand. I think, think you answered my question. If I can't think of it, I'll come back to it. Thank you.

MANDI CONSTANTINE: Basically with my cell phone, if I was-- I could connect to a doctor if I was a-- if I had a PC. At Gothenburg at the hospital there, I could connect to a doctor at Nebraska Medical Center, CHI Health and not have to go through a specific network to do that. We can all connect to one another now.

McCOLLISTER: But generally, the big two providers of this service are gonna be, what, UNMC and CHI?

MANDI CONSTANTINE: No, there's about 48 different dermatologists throughout the state of Nebraska. It's less than 50.

McCOLLISTER: So even a doctor can provide that service by this, by this service or through this means?

MANDI CONSTANTINE: A licensed physician in the state of Nebraska can provide a telehealth service.

McCOLLISTER: Oh, I see. OK, thank you very much.

MANDI CONSTANTINE: OK.

WILLIAMS: Additional questions? Seeing none, thank you for your testimony.

MANDI CONSTANTINE: Thank you.

WILLIAMS: Invite any additional proponent. Seeing none, is there anyone that would like to testify in opposition? Welcome.

DEBRA ESSER: Thank you. Thank you for this opportunity and good afternoon. For the record, I am Debra Esser, D-e-b-r-a E-s-s-e-r. I'm the chief medical officer for Blue Cross and Blue Shield of Nebraska and I'm here today to testify in opposition to LB760. We're asking the committee to hold the bill this session and to give us an opportunity to sit down with the proponents to learn more about this specific service and their program. As chief medical officer for Blue Cross and Blue Shield, it is part of my job to keep abreast of current medical technologies and update our medical policy so that our members receive the best possible treatment available for them. For example, you will be hearing later this session about 3D mammography. We're happy to tell you that Blue Cross Blue Shield already covers 3D mammography

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because based on our review, this test is the best screening test for breast cancer. We reviewed the literature. We met with the providers and we extended coverage. We believe that's the best process for medical decision making. Over the past year, we have learned a lot about the advantages of telehealth for our members and the technology the proponents are asking for today. While an initial meeting was set up for us last week, we did not have the chance to meet and discuss this proposal. We are interested in the program, but we would like the opportunity to sit down in an informal setting and discuss the advantages for our membership. It may be as simple as a difference in definitions. Blue Cross and Blue Shield considers telemedicine to be a provider to physician communication and telehealth to be a patient to physician communication, but telemedicine is a covered service. We are always interested in learning about new ways to deliver healthcare to our members who live in areas where they do not have ready access to specialists. We appreciate that the sponsor is seeking an amendment to remove the payment parity part of the bill. Payment parity ultimately means that we won't ever be able to drive efficiency in the delivery system for healthcare through new technology because the price is tied to the old way of doing things. We believe this is an improvement on an important issue, but overall we feel the best way to resolve the issue in the bill is to have the parties meet. With that, I'm happy to answer any questions.

WILLIAMS: Questions? Seeing none, thank you for your testimony.

DEBRA ESSER: Thank you.

WILLIAMS: Invite the next opponent. Welcome.

JAY McLAREN: Good afternoon, Mr. Chairman and members. My name is Jay McLaren. First name is J-a-y, last name, McLaren, M-c-L-a-r-e-n. I'm the vice president of Public Policy and Government Relations at Medica, excuse me, which is a nonprofit health plan based in the Twin Cities. We we cover about a million lives throughout the upper Midwest, including just over 90,000 Nebraskans. In 2018 and 2019, we're the only insurance carrier in the individual market in the state of Nebraska and continue to offer coverage there, as well as through an agro-- agricultural based organization in Nebraska and pleased to serve this state. So Mr. Chair and members, I'm here to testify in opposition to the bill, house bill-- or LB760. I've got some opposition and also some concerns, Mr. Chairman and members. So the opposition has to do with the original part of the bill which required the payment parity. And I'm not going to go in length in testimony

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about the payment parity, as I appreciate Senator Kolterman is removing that from the bill as it moves forward. But our main argument has been around the-- what would be charged to our members for those services. You know, when you imagine and envision someone going and getting their access to healthcare through telehealth, is it fair to ask them to pay for the parking lot? Is it fair to ask them to pay for the secretarial services, the janitorial services, things like that that go into actually delivering care on an in-person basis? Is it fair to ask them to pay for-- for example, 15 minutes of the dermatologist's time that would-- they would get in an in-person visit versus five versus telemedicine? Those are the type of things that goes into our thinking in opposing the rate parity requirement. So two items of concern, Mr. Chair and members: one has to do with an element of the bill that would restrict us from excluding reimbursement for these services just because they are asynchronous. I'm still getting some feedback from my people on that element to the bill. If we have concerns with that, I'll share them with committee members and with the bill author as well. So we may have some concerns with that. Second, is more broad in-- and I would just echo what Blue Cross and Blue Shield mentioned is that we would prefer to have a negotiation with folks that want to use and leverage telemedicine services in a broader way moving forward. We're a very collaborative plan here in the state of Nebraska. We have good working relationships with some of the healthcare providers in the room and would appreciate having a conversation with them about this. Similar to Blue Cross, as of a week ago, I talked to our folks that are in charge of the relationships with our contracting partners here in Nebraska. And it had not been brought to our attention that there was some investment being made in dermatology services and an interest in there being the-- and that there was an interest in having those services paid for through private insurance. So I'd rather have these conversations happen with us so that we can try to figure out how to improve access to telehealth services for our members in Nebraska. We do support greater access to these services, particularly in rural America and rural Nebraska. Me personally, I come from a farm family not too far from here. I've had family members served by Nebraska Medicine, including their Dermatology Department. They do great work. We want to increase access to those services and we want to do that through our private negotiations with them. Thank you, Mr. Chair and members.

WILLIAMS: Thank you, Mr. McLaren. Questions? You operate in five states?

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JAY McLAREN: Nine states, Mr. Chair.

WILLIAMS: Nine states, excuse me, with Medica. Are any of those states currently covering these kind of services as they would be covered under this legislation?

JAY McLAREN: I believe so, yes, Mr. Chairman, that we do cover these services, but we do not pay-- when it comes to the rate parity, that's a different issue. But for these services, I do believe, yes, they are covered.

WILLIAMS: Thank you. Seeing no additional questions, thank you for your testimony.

JAY McLAREN: Thank you.

WILLIAMS: Invite the next opponent. Welcome, Mr. Bell.

ROBERT BELL: Good afternoon, Chairman Williams and members of the Banking, Commerce and Insurance Committee. My name is Robert Bell. Last name is spelled B-e-l-l. I am the executive director and registered lobbyist for the Nebraska Insurance Federation. The Nebraska Insurance Federation is the state trade organization representing the domestic insurance industry in Nebraska. I'm here today to testify in opposition to LB760. First, I would like to thank Senator Kolterman for working with the parties to attempt to reach a compromise and taking out the payment parity portion. However, our opposition does remain. You've already heard from a couple of my members, so I'm gonna be brief. One-- just a couple of items that haven't been raised yet that I would like to point out is that when-- first, I guess, when a mandate is required, these mandates impair the ability of the health insurer to effectively negotiate a fair price with the provider of the medical service. This is, this is a hidden cost related to mandate so-- you know, you might have just the cost of the mandate, the cost of providing that service, and that service may be great and the insurers want to provide that service. However, when a state law comes in and effectively says, you must pay for this. When you sit down at the negotiate-- the negotiation table, the insurers are-- we have no, no choice, at the end of the day, we must walk out of that room with, with an agreement with the medical provider. And there's really no back and forth, which is concerning anytime you talk about any kind of mandate, there's already the ten essential health mandates under the ACA. This isn't included in one of them as one of them. But from testimony I heard earlier, it sounds like some of my

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members already do provide this, this coverage or pay for this coverage and that the rest of them are open to negotiating with the providers of this. And also, just for the record, on any health insurance mandate, and I know we're gonna be talking about health insurance mandates multiple times this session, is that keep in mind this does not apply-- or your, your ability to mandate coverage on a self-insured employer plan is limited by the federal ERISA law. And according to the information I have reviewed, that's about half of the insured population in the state of Nebraska. And so even if you did pass this, know that the constituents under those plans would not necessarily receive the benefit of the mandate, even though their plan may cover it anyway. Fortunately, I think with this particular problem already, we have a solution, nonlegislative solution exists. It's to let the business units of the-- or the various organizations to get together, negotiate, figure it out on their own like they do with many of the coverages that are already covered by health insurance. And it sounds like everybody's pretty open minded to that. And with that, that's all I have. Thank you, Senator.

WILLIAMS: Thank you, Mr. Bell. Questions. Seeing none, thank you for your testimony.

ROBERT BELL: You're welcome.

WILLIAMS: Additional opponents? Seeing none, is there anyone here to testify in a neutral capacity? Seeing none, while Senator Kolterman comes up, we do have letters in support: Todd Hlavaty from the Nebraska Medical Association; Todd Stubbendieck from AARP; Andy Hale from the Nebraska Hospital Association; Rodrigo Lopez from Children's Hospital and Medical Center. And one opponent letter from Kristen Hassebrook, from the Nebraska State Chamber. No neutral letters. Welcome back, Senator Kolterman.

KOLTERMAN: Thank you, Senator Williams, members of the committee. I have just a couple of observations. Number one, if you look at the amendment on line 4, back of the page there, you'll see that under (b) it says "An insurer shall reimburse a health care provider for asynchronous review by a dermatologist delivered through telehealth and a rate negotiated between the provider and the insurer." So we made provisions in there to negotiate the rate. I was in the insurance business for nearly 40 years and I didn't like mandates anymore than anybody else. But what I, what I like even less is the fact that we have people all over this state that don't get good quality healthcare simply because their policy doesn't cover it. I don't agree with that.

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I think there's some things that can be worked out. This is the wave of the future. Telehealth, I've carried four or five telehealth bills in the last four years and it is a wave of the future. And I think somebody in North Platte or Grand Island or Bayard or wherever they might be, deserve the same opportunity as anyone else. And unfortunately, we don't write policies to take care of people in those areas versus people in the metropolitan areas. So I think this is something we need to continue to work on, continue to move forward with. I think at the end of the day, we need parity for all. I brought this specifically for dermatologists today. But I think in the future something needs to happen. Companies need to wake up to the fact that we need to cover these people. So with that, I'd entertain any questions you might have.

WILLIAMS: Any questions for Senator Kolterman? Seeing none, that will close the hearing on LB760. And with that, we will open the public hearing on LB929, introduced by Senator Lindstrom to provide an exemption to the Nebraska Real Estate License Act. We'll wait just a little bit while the room clears. All righty. Welcome, Senator Lindstrom.

LINDSTROM: Good afternoon, Chairman Williams and members of the Banking, Commerce and Insurance Committee. My name is Brett Lindstrom, B-r-e-t-t L-i-n-d-s-t-r-o-m, representing District 18 in northwest Omaha. Today, I bring to you LB929 to provide an exemption to the Nebraska Real Estate License Act. The bill would-- was initiated by conversations between the Realtors Association and the Real Estate Commission. LB929 would allow for unlicensed person to make initial contacts and provide limited information on behalf of a licensed broker or salesperson. The bill requires that an unlicensed person to identify who they are, to identify their employer's name, the name of the broker or salesperson, and the broker or sale-- sales person's real estate business on whose behalf the contact is being made. LB929 would hold the agent or broker responsible for the actions of their unlicensed employee and provides for oversight by the Real Estate Commission. I'd be happy to answer any questions that you may have. Thank you.

WILLIAMS: Questions for Senator Lindstrom? Seeing none, thank you. Would invite the first proponent. Good afternoon.

ANDY ALLOWAY: Good afternoon. My name is Andy Alloway, A-n-d-y A-l-l-o-w-a-y. I'm testifying in support of LB929 on behalf of the Nebraska Realtors Association. And I want to thank Senator Lindstrom

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for introducing this bill on our behalf. Basically, this is a very simple bill. Like with many things, many laws and things throughout our society, sometimes they become a little bit antiquated and this is kind of a cleanup bill that we see. So essentially what this does is it amends the Real Estate License Act to allow for an unlicensed person to procure business on behalf of a licensee. Things have changed, obviously with technology over the last 20 to 30 years in our industry, just as anything else. And many on-line lead aggregators like Zillow will use unlicensed assistants to procure business on behalf of licensees. And this isn't getting more or less, it's getting more and more. It's the way we do business. So we kind of look at this equal, there's three buckets. There's an unlicensed assistant that a licensee may hire to do certain tasks, there is a telemarketing firms that a licensee could hire to go out and procure business, and then there are on-line lead aggregators like Zillow that provide these services to licensees across all 50 states. We currently have a specific exemption in license law that does not allow for an unlicensed assistant to procure business on behalf of a licensee. So all we are asking in this bill, and what this does is it does regulate and we are working with the Commission on this, but it, it carves out a very strict exemption for an unlicensed person to be able to make an outbound phone call or to send an email on behalf of a licensee. They would have to identify the licensee, the broker they're working for and the employer. And it would not allow them to talk about services, talk about specifics of the property. It would not report them to any-- obligate anybody into a contract. But very simply, would you be interested in real estate services on behalf of, you know, Sally Smith or whoever? And if the answer was, yes, then they would send out a link to a website that was created by the broker and the licensee with information or they could send a written letter that the licensee created and so they could set appointments essentially or send more information. And that would be the nature of the conversation. With that, I would take any questions.

WILLIAMS: Thank you, Mr. Alloway. Questions? Senator McCollister.

McCOLLISTER: Thank you, Chairman Williams. Did you develop this legislation yourself or is this model legislation that's occurred throughout the country?

ANDY ALLOWAY: This is not-- I don't say model legislation, there are-- I don't know the exact number. Director Lemon may have that information, but there are a number of other states that do allow for

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this. It is something that I think is pretty specific to Nebraska that we-- is enumerated in our law and our-- but it is not in many other states, so.

McCOLLISTER: Would a Zillow operate under these same kind of conditions?

ANDY ALLOWAY: That-- that's kind of the thing is Zillow right now by the letter of the law is, is breaking our law by-- they have what they call ISAs, Internal Sales Associates. So when there is a potential prospect made, a licensee will pay money to Zillow and that Inside Sales Associate will contact this person, whether via email or phone call, and then try to, to divvy out that lead, so to speak, to a particular licensee. This is allowed for in many states, Nebraska is just one of them that our law prohibits it.

McCOLLISTER: Would Zillow be obligated to follow these statutes?

ANDY ALLOWAY: I would say currently Zillow would be. It would be a probably an uphill task to get them to do that, but, yes.

McCOLLISTER: Thank you very much.

WILLIAMS: Additional questions? Seeing none, thank you for your testimony.

ANDY ALLOWAY: Thank you.

WILLIAMS: Invite the next proponent.

GREG LEMON: Thank you.

WILLIAMS: Welcome, Mr. Lemon.

GREG LEMON: Thank you. Chairperson Williams and members of the Banking, Commerce and Insurance Committee. For the record, my name is Greg Lemon, G-r-e-g L-e-m-o-n. I am the director of the Nebraska Real Estate Commission, appearing today on behalf of the Commission to support LB929. As Andy Alloway very-- explained very well, what the bill does is actually-- although, it looks like it's putting a lot of rules in place, it's, it's, it's expanding what an unlicensed person can do as far as procuring prospects for real estate purposes. Basically, what our law looks at is if you're gonna act as an agent, if you're gonna act as a third party intermediary on behalf of the property owner, you have to have a real estate license. And in, in

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current law, that includes procuring prospects, talking about real estate services, things like that. What this bill does is, is creates a limited, well-defined exemption saying that if you are an unlicensed person, that you can assist in procuring prospects for a real estate licensee. But you can't talk specifically about the services offered. You can't ask for confidential information such as how much, you know, you sure you want list the house? You know, you want to list it for 250, but would you take 235? You can't talk about that kind of thing. That's the kind of thing we regulate agents on and that's the kind of thing we don't want people talking about. But as Commissioner Alloway, excuse me, he was our-- he's a former commissioner. As Mr. Alloway-- Real Estate Commissioner-- as Mr. Alloway mentioned, the trend is going in that direction. So I'm faced with either ignoring the law, which I'm not real comfortable doing, asking for more people to enforce the law, which I don't really want to do either, or we conform with the times with some sort of a balanced approach of protecting the public and still protecting the integrity of licensed law, which I think this bill encompasses fairly well. The last thing I would add is we have a suggestion for a technical amendment and I'm not wed to the wording, but the concept basically is the very last sentence in the new wording in the exemption doesn't really go to an exemption. It goes to what a real estate licensee can and can't do. So we propose that that go to the statute, 81-885.24 that regulates what real estate licensees can and can't do rather than it being in the exemption statute. So that's our technical amendment. We've talked to the association about that and the introducer and I believe they're on board as well. With that, I'd be glad to answer any questions you might have.

WILLIAMS: Questions for Mr. Lemon? Seeing none, thank you for your testimony.

GREG LEMON: Thank you very much.

WILLIAMS: Would invite the next proponent. Seeing none, is there anyone here to testify in opposition? Seeing none, anyone to testify in the neutral capacity? Seeing none, Senator Lindstrom.

LINDSTROM: Yep. I'll be brief here. I just want to thank Mr. Alloway and Mr. Lemon. Based on-- we've already sent the draft up to Bill Drafters for the correction. So we're taking care of that last concern that Mr. Lemon discussed. And with that, I'd be happy to answer any last questions.

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WILLIAMS: Any final questions for Senator Lindstrom? Seeing none, thank you for your testimony. And that will close the public hearing on LB929. And we will open the public hearing on LB1063, also introduced by Senator Lindstrom, to change provisions relating to the State Treasurer and the treasury management.

LINDSTROM: Good afternoon, Chairman Williams and members of the Banking, Commerce and Insurance Committee. My name is Brett Lindstrom, B-r-e-t-t L-i-n-d-s-t-r-o-m, representing District 18 in northwest Omaha. Today, I bring before you LB1063 on behalf of the State Treasurer and his office. This is a simple cleanup bill to remove obsolete language, to update terminology reflecting our more modernized process, and to include necessary harmonizing language. I would also like to bring attention to AM2-- or 2221 that you have before you. There was a small section that was inadvertently stricken in drafting, AM2221 corrects that. Thank you to the Fiscal Office for bringing that to our attention. Heidi Wallace, deputy director of Treasury Management for the State Treasurer's Office is here to testify following my opening. So I would direct any specific questions towards her. With that, thank you, committee, and urge the body-- or committee to move forward on LB1063. Thank you.

WILLIAMS: Thank you, Senator Lindstrom. Questions? Seeing none, we would invite the first proponent. Welcome.

HEIDI WALLACE: Thank you. Well, good afternoon, members of the Banking, Commerce and Insurance Committee. My name is Heidi Wallace, H-e-i-d-i W-a-l-l-a-c-e, deputy director of Treasury Management. I am representing the State Treasurer's Office, Treasury Management Division, and I am here today in support of LB1063. We requested the introduction of this bill to clean up obsolete language, update terminology that has become outdated over the years, and to better reflect processes as they have modernized over the years. For example, in several sections we are requesting to remove references to draw warrants and change it to pay electronically or similar language. I won't read each section, but they are included in the handout. We are also requesting to change-- to-- a change in Section 81-118 to coincide with Section 84-710 regarding the number of days an agency has to get state funds into the Treasurer's Office. This is being requested in cooperation with the Department of Administrative Services. Another example is Section 82-331 and 84-612, we are asking for obsolete transfer language to be removed. There are changes in three other sections that would harmonize language due to these

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changes. Again, I won't read those sections, but they're also listed on the handout. And I'd like to add that we are in support of AM2221. This amendment will correct an oversight striking language for the cigarette tax distribution to the Public Safety Communication System Cash Fund at the State Patrol. In closing, I'd like to thank Senator Lindstrom for introducing this bill on our behalf. And also, thank you to the committee members for hearing my testimony.

WILLIAMS: Thank you, Miss Wallace. Questions? Senator McCollister.

McCOLLISTER: Yeah. Thank you, Chairman Williams. Thank you for being here today. In the third paragraph, it talks about the number of days an agency has to get state funds in the Treasurer's Office.

HEIDI WALLACE: Um-hum.

McCOLLISTER: What is the usual number of days? What are you proposing to change it to?

HEIDI WALLACE: We're-- all we're-- we're not changing the number of days, we're just-- 82-- or let's see, 81-118 was very vague. I think it said it didn't have a specific amount and it was within ten days. Where 84-710, I think it was anything 500 or less needed to be in within 7 days, and anything over that would need to be in within 3 days. And I can get the exact numbers, but it's-- we just wanted to harmonize that so it was more consistent.

McCOLLISTER: So it's somewhere between seven and ten days?

HEIDI WALLACE: Um-hum.

McCOLLISTER: Thank you.

HEIDI WALLACE: You're welcome.

WILLIAMS: Seeing no additional questions, thank you for your testimony.

HEIDI WALLACE: Thank you.

WILLIAMS: Invite the next proponent. Welcome, Mr. Stilmock.

JERRY STILMOCK: Mr. Chair, members of the committee, my name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my client, the Nebraska Bankers Association in support of LB1063.

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That portion of the bill that I'm here to testify on is Section 21, begin-- beginning at page 25 and 26. As you see there, it just carries on an extension of the powers of the State Treasurer adding financial literacy. As Senator Williams might tell you off-mike or Senator Stinner or Senator Clements, financial literacy within the banking sector is a big issue for the Nebraska Bankers Association as well as our member banks. And to have the Treasurer's Office have a enumerated power for financial literacy, we think makes good policy sense. I am not gonna read through my testimony, but I did want to point out a couple of the items of-- that Nebraska Bankers Association members are involved with, primarily flowing down from the American Bankers Association. And these programs appear at page 2 of my handed out testimony: Teach Children To Save, Get Smart About Credit, America Saves Week, Safe Banking for Seniors, and, of course, JA, Junior Achievement, and Financial Literacy Concerts. I had to ask my staff, I said, what are Financial Literacy Concerts? Literally, a band will set up and play, and part of that assembly message at a high school or middle school would be the importance of credit scores, the importance of financial literacy. Kind of what we saw in maybe a couple of years ago, starting with the young adults on our commercial, on, on commercials that talked about the importance of managing and knowing your credit score. One of the areas that we at the Nebraska Bankers Association have been involved with is a program through EverFi. That is a program that is an on-line teaching aid, that high schools primarily, but also through middle school and lower levels of classes are able to take directly to the students. And we've-- we understand it's a tremendous learning tool for those banks. We even know of some banks that after school hours or perhaps even after school hours and after banking hours, banks will bring in and actually conduct a class, a classroom setting put on by the employees of that particular member bank in order to help assist students with financial literacy. It just makes sense that we have a hub for that in Nebraska, and that would be by one of the enumerated powers on behalf of the State Treasurer. For those reasons, Senator Williams and other members of the committee, we'd ask you to advance the, the legislation. Thank you.

WILLIAMS: Thank you, Mr. Stilmock.

JERRY STILMOCK: Yes, sir.

WILLIAMS: Questions? Senator McCollister.

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McCOLLISTER: Yeah. Thank you, Chairman Williams. I see, Mr. Stilmock, on the second to the last paragraph of, of the handout that you gave us,--

JERRY STILMOCK: Yes, sir.

McCOLLISTER: --the State Treasurer is empowered to provide financial literacy education. How, how would you suppose he's going to do that?

JERRY STILMOCK: Yeah, you know, I haven't spoken with the Treasurer on that, on that specific item, Senator. I know through initially with Treasurer Stenberg and now with Senator Murante-- or Treasurer Murante, sir, the EverFi is, is one of those components or so a part of state funding and part of a member bank in a particular community would assist in paying for the funds in order for that EverFi system to be used. Other than those-- that item, sir, I'm not aware of what the intentions of the, of the Treasurer are at this point to carry that empowered item forward, sir.

McCOLLISTER: Public service announcements, is that the kind of thing you're thinking about that?

JERRY STILMOCK: You know, I-- perhaps, yes, sir. I don't know. I'd be guessing, sir. I don't know what his intentions are.

McCOLLISTER: Thank you very much.

JERRY STILMOCK: Yes, sir. Thank you for the questions.

WILLIAMS: Senator La Grone.

La GRONE: Thank you, Senator Williams. And thank you for being here. So just to kind of piggyback off of Senator McCollister's question a little, I think you alluded to in your answer but I just want to clarify. It's my understanding that this is something the State Treasurer's Office has actually been doing for a while under a number of previous state treasurers regarding involvement in financial literacy education, is that your understanding as well?

JERRY STILMOCK: Yes, beginning with Treasurer Stenberg.

La GRONE: OK. And so really it's just codifying what's already been happening for over a decade at this point.

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JERRY STILMOCK: In terms of the involvement with EverFi, and in terms of my understanding of what the office has been doing in terms of financial literacy, yes, sir.

La GRONE: Thank you.

JERRY STILMOCK: Yes, sir. I'm glad to answer.

WILLIAMS: Senator Howard.

HOWARD: Thank you, Senator Williams. I have a question about the same section that you're speaking to, but you might not be able to answer it--

JERRY STILMOCK: OK.

HOWARD: --so hopefully somebody behind you will be able to. So you-- in Section 21, you add financial literacy, but then it crosses out Section 5 under Section 21, which is the full statement to the Department of Administrative Services of all money received by the Treasurer. So it's sort of like it's getting rid of a reporting requirement to the Department of the Administrative Services. And I don't fully understand why that's there. And I'm sure you can't answer it, but maybe somebody behind you will be able to.

JERRY STILMOCK: Your intuition is right on.

HOWARD: Just because we're in the same section. But it's,--

JERRY STILMOCK: Yes.

HOWARD: --it's-- it looks like we're losing a report.

JERRY STILMOCK: You know, a good prep by me, read the same language and I thought, boy, I hope Senator Howard doesn't ask me that question because I don't know the answer. I'm unable to answer that, Senator.

HOWARD: OK. Thank you, Mr. Stilmock.

JERRY STILMOCK: Of course, yes, Senator.

WILLIAMS: Additional questions? Seeing none, thank you for your testimony.

JERRY STILMOCK: Yes. Thank you, members.

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WILLIAMS: Invite the next proponent. Welcome, Treasurer Murante.

JOHN MURANTE: Thank you, Chairman Williams, I wasn't intending to testify, but there were a couple of questions. And for the record, my name's John Murante, J-o-h-n M-u-r-a-n-t-e, your Nebraska State Treasurer. So I'll just start by answering the questions that were asked. Senator Howard, that section deals with money that is received, accounts of revenue, penalties, interest. We don't have access to that information. This is what we'd worked with the Department of Administrative Services on. So we don't have any information to report because that money doesn't come through us. So that-- that's why it was being stricken. Senator McCollister, the issue actually goes back to-- you might recall at the end of my predecessor's tenure, there was an audit which was conducted relative to EverFi, you've heard that a couple of times. And what, what the auditor found was that while Treasurer Stenberg was paying for EverFi with the fees charged to the college savings program, there was nothing expressly written in statute expressly to authorize that. And although last year I went to the Appropriations Committee and asked for the budgeting for, for, for those dollars in addition just to continue what had already been done. There-- that-- as you know, the budget is not a policymaking document, it's not supposed to be. So this would go in and simply say when auditors come back and, and ask, well, where, where in state law are you authorized to do this sort of financial literacy promotion? We would point to the duties and responsibilities to the State Treasurer's Office, and that would satisfy that particular concern.

WILLIAMS: Senator McCollister.

McCOLLISTER: Is that, is that the appropriate fund on which to fund this program?

JOHN MURANTE: That's a great question. And that is actually a fairly contentious point. I, I believe that if Don Stenberg were sitting here in front of you, he would very passionately argue that the answer to that is, yes. He viewed EverFi as a marketing tool of the college savings program that we were getting in front of kids. The nest logo was prominently featured on the website. There was training about saving for college and what 529s are, so he very passionately believed that, that the college savings dollars ought to be used for that purpose. With that said, it is a matter capable of question. And last year, what we did was went in to the Appropriations Committee and found with some collaboration with Director Quandahl at the Department of Banking that they have settlement dollars that are earmarked for

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financial literacy purposes. So last year, the Appropriations Committee stopped using college savings for that purpose and started using the settlement dollars for, for-- from the Department of Banking. So that's how it's funded today.

McCOLLISTER: And you'll continue-- you'll go back before Appropriations and ask that it be funded that-- in that way again?

JOHN MURANTE: Um-hum. It's my intent.

WILLIAMS: Additional questions? Thank you for your testimony.

JOHN MURANTE: Absolutely. And thank you for enduring treasury management day in the Banking, Commerce and Insurance Committee.

WILLIAMS: Next proponent? Seeing none, is there anyone here to testify in opposition? Welcome.

JOHN BOLDOC: Thank you, Mr. Chair. Good afternoon, Committee Chairman Williams and members of the Banking, Insurance and Commerce Committee. I'm Colonel John Bolduc, J-o-h-n B-o-l-d-u-c, superintendent of the Nebraska State Patrol. I'm here today to testify on behalf of the State Patrol in opposition of LB1063. As written, LB1063 would amend Nebraska state statute's Chapter 77-2602(3)(f) to remove \$3.82 million from the Nebraska Public Safety Communication System Cash Fund, which provides operation funds for Program 850. As you may know, Program 850 receives both a cash fund contribution as well as a General Fund contribution. The language proposed in LB1063 would eliminate in its entirety the cash fund contribution to the Public Safety Communication System Cash Fund. This would leave only a General Fund contribution annually of approximately \$1.8 million. The funds proposed to be taken from the Nebraska Public Safety Communication System Cash Fund currently pay for the \$83,880 monthly retainer fee for the Office of the Chief Information Officer, or OCIO, to maintain the Statewide Radio System. This fund is also used to pay OCIO a master lease for statewide radio equipment in the amount of \$66,778 per month. The remaining balance of the fund is used to pay for critical public safety equipment such as police radios and their related equipment, radio towers to relay signals to and from police cruisers, and all repairs to such equipment. Currently, this fund is being utilized to purchase body worn cameras for sworn law enforcement personnel and is routinely used to replace in-car radios, purchase portable radios for troopers as well as in-car mobile data computers for cruisers. All of these items are crucial tools that law enforcement relies on heavily

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in their day-to-day duties while serving the citizens of our state. Now just this morning we were provided a copy of AM2221, Section 11(3)(d) of AM2221 appears to remedy the language that would eliminate the annual contribution to the Nebraska Public Safety Communication System Cash Fund. If this amendment were to be adopted, this would satisfy our concerns regarding the funding for all costs, equipment, and maintenance pertaining to the Statewide Radio System. If that amendment were adopted, we could move our position to neutral with respect to that aspect of it. However, another area of concern with LB1063 for the State Patrol is that Section 23 of the proposed bill of the Nebraska revised statute 84-617, which would allow the State Treasurer to enact a fee schedule and begin charging fees for payment receipts on behalf of state agencies. The State Patrol is statutorily required to use the State Treasurer's Office for these accounting services. LB1063 gives insufficient information to adequately calculate a total fiscal impact to the Nebraska State Patrol, as the language does not specifically outline what the fee schedule will entail. If applied to each individual transaction, these fees would be assessed to over 7,000 transactions per year, including cash and check deposits between Nebraska State Patrol and other state agencies. These transactions take place due to security agreements, receipts for background checks, deposits of federal seizure funds, and payments to the Criminal Identification Division throughout-- through the state credit card system. This allows our citizens to conveniently pay for services on-line. LB1063 does not propose that state agencies be allowed to pass these fees on to consumers, and therefore the State Patrol's General Fund budget request would likely increase by the amount of the fees assessed times the number of transactions processed yearly. Thank you for the opportunity to testify today and I'd be happy to answer any questions that you may have.

WILLIAMS: Thank you, Colonel. Questions? Senator La Grone.

La GRONE: Thank you, Mr. Chairman. Thank you, Mr. Bolduc for being here.

JOHN BOLDUC: My pleasure.

La GRONE: I do have a question on Section 23, which you were just mentioning, and the new language under (e). I'm not seeing where it empowers the Treasurer to charge a new fee. It says in (e) "Payments for accounting services for receipt." So I'll start at the (1) so we know--

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JOHN BOLDUC: OK.

La GRONE: --what I'm talking about. So basically what it does, it's creating the State Treasurer's Administrative Fund and that's laying out what dollars can be deposited into that fund. And it adds new language, "Payments for accounting services for receipts of funds provided on behalf of another state agency." I don't see how that empowers a new fee. It sounds to me like the-- those are simply dollars exist that we're allowing to be deposited into an account. Can you-- so my question is, how are we doing that differently basically?

JOHN BOLDUC: Sure, our, our staff looked at the proposal and with the fact that we are mandated to use the Treasurer's Office for those types of services and we provide those services and charge for those, it would stand to reason that we'd be required to implement any of those fees that are, that are assessed to us for those services.

La GRONE: I, I disagree on the reading of that, I don't see how it empowers the Treasurer to charge a new fee. I would think that it would simply-- because it's not setting up a new fee as I read it, it's simply allowing dollars to be deposited into an account. So if we're not dealing with the actual dollars, that's just where my confusion exists of, of how we're getting to a new fee when we're not actually authorizing a new fee, we're just putting dollars into an account.

JOHN BOLDUC: So at the risk of-- Senator, thank you for the question. It's a very valid question. But at the risk of throwing some of my colleagues under the bus, we have some other state agencies who are in similar situations who are drafting fee schedules in anticipation of the Treasurer's Office implementing a fee schedule to, to go along with this legislation. Now perhaps we're all misreading it, so I reserve retreat rights and perhaps the, the Treasurer could enlighten us as to what, what the plans are there. But based on our, our staff's assessment of it, we believe that's a likelihood.

La GRONE: Thank you.

JOHN BOLDUC: Thank you, Senator.

WILLIAMS: Not making the assumption, so I'll ask the question, if that were fixed, would that move your testimony to neutral?

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JOHN BOLDUC: Yes, Senator, both, both of our objections would be addressed if that were the case.

WILLIAMS: Any additional questions? Senator Kolterman.

KOLTERMAN: Thanks for being here, and--

JOHN BOLDUC: My pleasure, Senator.

KOLTERMAN: --I'm not trying to shoot the messenger, but I had something similar to this happen to me in HHS last week.

JOHN BOLDUC: OK.

KOLTERMAN: I think it behooves the Executive Branch and Administrative Services to work with the senators that are bringing bills, especially where there's an amendment. And if, if we're intending to help you and work with you on those things, rather than come in in opposition, come in neutral, because when there's an opposition listed, it throws, it throws a big red flag up to the body. And so I think it's important for, as I said, it's not your fault, I think the Executive Branch and Administrative Services needs to work closely with body because we want to work with you rather than fight with you on issues like that. So thank you for coming.

JOHN BOLDUC: I appreciate that, Senator.

WILLIAMS: Any additional questions? Colonel, thank you for your testimony.

JOHN BOLDUC: OK. Thank you, Mr. Chair.

WILLIAMS: Any additional opponents? Seeing none, anyone here to testify in a neutral capacity? Seeing none, Senator Lindstrom.

LINDSTROM: Thank you, Chairman Williams. Senator La Grone, I think, Senator La Grone, I think you're correct on the reading. It's my understanding that there is no billable work that's being done from the Treasurer's Office. Everything that's done on the accounting is beforehand and then given to the Treasurer so there wouldn't be any fee incurred on that. With regards to the first part, like I said, if you want to look at it in AM2221, it's on your second page, line 10, is where it starts. We removed that, too. And again, I apologize for missing that. That was not our intent. But we will correct anything that we need to correct. Like I said, this is a cleanup bill and we

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want to make sure that it stays that way and not controversial. So with that, I'll be happy to answer any final questions, but we will make every necessary change that we need to make to make sure it's clean.

WILLIAMS: Any final questions? Seeing none, thank you for your testimony. And that will close the public hearing on LB1063 and end our agenda for today.