HANSEN: All right. Good afternoon, again, and welcome to the Health and Human Services Committee. My name is Senator Ben Hansen. I represent the 16th Legislative District in Washington, Burt, Cuming, and parts of Stanton County. And I serve as Chair of the Health and Human Services Committee. I'd like to invite the members of the committee to introduce themselves, starting on my right with Senator Ballard.

BALLARD: Beau Ballard, District 21, in northwest Lincoln and northern Lancaster County.

WALZ: Lynne Walz, Legislative District 15.

HARDIN: Brian Hardin, Banner, Kimball, Scotts Bluff Counties in District 48.

RIEPE: Merv Riepe, District 12, which is metro Omaha and the little town of Ralston.

HANSEN: Also assisting the committee is our research analyst, Bryson Bartels, our community clerk, Christina Campbell, and our committee pages for today are Molly and Ella. A few notes about our policy and procedures. Please turn off or silence your cell phones. We will be hearing 4 bills, and we'll be taking them in the order listed in the agenda outside the room. On each of the tables near the doors to the hearing room, you'll find green testifier sheets. If you're planning to testify today, please fill one out and hand it to Christina when you come, come up to testify. This will help us keep an accurate record of the hearing. If you are not testifying at the microphone but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at each entrance, where you may leave your name and other pertinent information. Also note if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by 8 a.m. the day of the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask you if you do have any handouts, that you please bring 10 copies and give them to the page. We use a light system for testifying. Each testifier will have 3-5 minutes to testify, depending on the number of testifiers per bill. When you begin, the light will be green. When the light turns yellow, that means you have 1 minute left. And when the light turns red, it is time to end your testimony and we'll ask you to wrap up your final thoughts. When you come up to testify, please begin by stating your

name clearly into the microphone, and then please spell both your first and last name. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements, if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved. And we do have a strict no prop policy in this committee. With that, we'll begin today's hearing with LB982, and welcome Senator Riepe up to open. Welcome.

RIEPE: Thank you. Good afternoon, Chairman Hansen and fellow members of the Health and Human Services Committee. My name is Senator Merv Riepe, spelled M-e-r-v R-i-e-p-e, representing District 12. I will keep this opening brief this afternoon. I am introducing LB982, which seeks to enact a minor adjustment to nurse aide registry eligibility employer settings. This bill proposes allowing individuals certified as nurse aides, commonly referred to as CNAs, to maintain their nurse registry while employed at an intellectual and developmentally disabled provider. Presently, CNAs may retain active status on the registry while employed in various healthcare settings, such as assisted living facilities, home health agencies, hospitals, skilled nursing facilities, and intermediate care facilities, among others. This issue was brought to my attention during a tour of an intellectual and developmentally disable-- disability provider this past summer. This facility frequently hires individuals with CNA certifications, but they often resign upon learning they may not maintain their nurse aide registration while working there. These facilities encounter workforce challenges and shortages, and this measure offers a means to alleviate some of the pressure they face. A representative from that facility will be present to assist in addressing any inquiries you may have, but I strongly urge you to support-- your support for this bill to eliminate bureaucratic obstacles, enhance employment opportunities, and bolster the workforce for both employers and employees. Regarding the fiscal note, dis-- DHHS has imposed a required full-time employee, and I am not sure of the rationale for that. With that, I thank you for your attention and yield to any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? Seeing none, we'll see you at close.

RIEPE: Thank you, sir.

HANSEN: All right. So we will take our first testifier in support of LB982. Welcome.

TABATHA CUNNINGHAM: Hi. Good afternoon, Chair Hansen and members of the Health and Human Services Committee. My name is Tabatha Cunningham, T-a-b-a-t-h-a C-u-n-n-i-n-g-h-a-m. I am a registered nurse with over 20 years experience, and I'm here on behalf of Hands of Heartland, an intellectual and developmental disability service provider, in support of LB982. Hands of Heartland provides residential services, day services, community services, supported employment, and shared living services in communities across Nebraska, with locations in Omaha, Bellevue, Lincoln, Grand Island, Kearney, West Point, Fremont, McCook, South Sioux City, and North Platte. Hands of Heartland is dedicated to supporting people with developmental disabilities with integrity, transparency, and respect. This starts with our dedicated staff. We are not immune from the challenge facing employers across the state. We struggle to recruit and retain the qualified staff our consumers deserve. In the past, we have successfully recruited individuals who hold CNAs to work at our facilities. We appreciate the skill set these employees provide to the individuals we serve, particularly because many of our consumers have complex medical needs and higher acuity, such as trachs and feeding tubes, and, and require daily medication administration. However, the issue arises when these individual staff members cannot stay active on the nurse aide registry while working in this field. Per Nebraska statute, only certain employer settings can keep nurse aides active. An individual can keep their nurse aide registration active by working a paid 8-hour shift every 2 years, with that facility reporting that employment. When we reached out to the Department of Health and Human Services to ask for clarity on this, the solution posed by the department was for a nurse aide employed by Hands of Heartland to hold a PRN or a temp job in a nursing home or other approved setting and have that employment maintain their active status on the nurse aide registry. We feel this is an inadequate solution for everyone involved. For example, it cost us about $3,000 to onboard a new employee. We imagine that nursing homes incur similar costs. Onboarding an employee for, for them to work 1 shift every 2 years is simply not realistic for most employers. As a result of our setting not meeting the necessary qualifications for CNAs to keep their license current, providers like Hands of Heartland and many others have difficulty attracting CNAs, which are highly sought after in this field. We believe that this statute change will help us serve our clients with higher acuity needs, and remove barriers to work and increase workforce opportunities. We very much appreciate your

attention to this issue, and would encourage your advancement of LB982. Thank you for your time, and I'm happy to try to answer any questions that you may have.

HANSEN: Thank you.

TABATHA CUNNINGHAM: You're welcome.

HANSEN: Are there any questions from the committee? There are none.

TABATHA CUNNINGHAM: Thank you.

HANSEN: Thank you. We'll take our next testifier in support of LB982. Welcome.

ALANA SCHRIVER: Good afternoon, Chairman Hansen and members of the HHS Committee. Thank you for your time today. My name is Alana Schriver, A-l-a-n-a S-c-h-r-i-v-e-r, and I'm the executive director of the Nebraska Association of Service Providers, which is the statewide membership association for home and community-based providers of individuals with intellectual and developmental disabilities. Our members employ thousands of people who empower individuals with IDD to reach their fullest potential, and we enable family caregivers to enter or remain in the workforce. The direct care workforce crisis remains acute for home and community-based IDD providers. ANCOR, which is an advocacy organization of over 2,000 community-based providers, recently released the State of America's Direct Support Workforce Crisis 2023 report, which detailed how home and community-based providers are faring. I've included a snapshot on the second page with some alarming figures. For example, 95% of providers are experiencing moderate or severe staffing shortages-- 2/3 feel that it's severe. 77% of providers reported turning away new referrals in the past year during-- due to the ongoing staffing shortages, and 60% are worried for the future. The results reveal that providers are being forced to consider adopting extreme, sometimes gut-wrenching measures to sustain operations. Meanwhile, people with IDD and their families are left with diminished access to services. ANCOR concludes its report by recommending policy actions that can help significantly strengthen the direct care workforce. LB982 is one such attempt at the state level to increase our home and community-based service provider agencies' ability to attract and retain desperately needed workers. The demand for home-based care services is expected to increase by 35% in the next decade, and add 1 million jobs for direct care workers to fill. That puts home and community-based services at further disadvantage, because the wages we can offer are based on Medicaid reimbursement

rates set by the state, rather than market dynamics. Further compounding the struggle for providers in Nebraska is their direct competition for staff with the state-run institution, Beatrice State Development Center, where CNAs are able to receive the CEUs necessary to maintain their ongoing licensure by supporting the same population at BSDC. Regarding the fiscal note to this bill, stating that they would need to hire a full-time staff person at DHHS to process the CEUs, I just wonder if they couldn't use the same staff member who processes the CNA CEUs for Beatrice State Development Center to do the same for home and community-based service providers? So thank you for your time, and I'm happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee? I think one of the-- one of my goals, especially within the next 2 years, so maybe over the interim, is to start looking at reim-- how we-- provider rates in the state of Nebraska. And I think one of the things I'd like to see happen is hopefully, we get some kind of stability in provider rates with some kind of formula. So we're going to probably be looking at that-- over that quite a bit over the interim. And so, you know, we welcome your opinion as we kind of move forward with that, with hopefully, some you know, what surrounding states do, inflation rates--

ALANA SCHRIVER: Sure.

HANSEN: --projected revenue, you know, that-- some kind of form that would incorporate all those kind of things, so people can have some stability on where they know whether the provider rates are going to go up or down or stay the same [INAUDIBLE].

ALANA SCHRIVER: We'd absolutely welcome the opportunity. In fact, this is a rate rebase here. CMS requires that DD waiver rates be looked at every 5 years, so it's time for us to do that before those waivers expire. So if providers could have a seat at the table during that rate methodology discussion, that would be amazing. Right now, it uses assumed numbers in the current rate methodology. And now that cost reports have been submitted for the past 2 going on 3 years, we have the opportunity to use real numbers of what it actually costs to do business, what the real admin is, what the real overtime is, and adjust those levers. So that once we get rates that work really well and as minimum wage gets attached to CPI, maybe we can figure out some way to make sure our direct support professionals maintain at least 150% of minimum wage in Nebraska, would be spectacular.

HANSEN: OK, well, thank you.

ALANA SCHRIVER: Thank you.

HANSEN: All right. Is there anybody else wishing to testify in support of LB982? Welcome.

KIERSTIN REED: Hi. Chairman Hansen, members of the Health and Human Services Committee, my name is Kierstin Reed. It's spelled K-i-e-r-s-t-i-n R-e-e-d. I serve as the president and CEO for LeadingAge Nebraska, a statewide membership association of long-term care providers. Our membership does include home and community-based service providers other than those that are providing intellectual and developmental disability services. As a longtime provider of intellectual and developmental disability services, I understand the importance of this bill. And we are here today in support of that, but also to ask for an amendment to this bill. Providers of all home and community-based services of a variety of types under the Medicaid waiver that have been established by the state of Nebraska experience this problem. There are often providers that do provide habilitative services to those with developmental disabilities, but there are also providers that provide services to older adults with health conditions in order for them to remain in their homes. These services include support with the activities of daily living that are considered to be non-medical, companion services, homemaker services, and in-home personal assistant services. As with developmental disability providers, home care providers frequently hire nurse aides that are certified through the state of Nebraska. Many nurse aides prefer the work that they do in home and community-based service settings. Currently, the nurse aide must be paid in a position within 24 months of their last job in order to stay active on the nurse aide registry. Those working in home care or with developmental disability services will often leave their employment, as you've heard, to go work for settings that will allow them to maintain a current status on the registry. This creates a disruption in services that are being provided, that of someone that would have otherwise stayed in their position if they could maintain their certification. In the handouts that you've received, I've provided a definition of home care services that are covered under the Medicaid Waiver program, that are defined in State Statute 71-6501. I've also provided a list of the approved provider settings that nurse aides need to be at in order to maintain their status on the registry. And the last item that I've included is the proposed amendment to LB982. And this section will be located on page 2, line 23-28, and the highlighted language is what we would like to see added to this bill. This amendment would address needs for all waiver providers, including those with developmental disabilities, but also other home-based providers that serve older adults that are

currently not included in the original version of this bill. We support this bill and the amended language, and hope that you move this forward. I'd be happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee? Senator Hardin.

HARDIN: Can you unpack a little bit of what that highlighted section is? I think I see 6 words there, but what's it mean?

KIERSTIN REED: The very front page of your document?

HARDIN: No, the one that said for services provided as described in Section 71-60-- 71-6501.

KIERSTIN REED: So 71-6501 is the front page of that packet that I just handed you.

HARDIN: So the 24--

KIERSTIN REED: So there's--

HARDIN: --the 24 months.

KIERSTIN REED: No.

HARDIN: What happens in regards to keeping them on the books, if you will. That's what I'm referring to.

KIERSTIN REED: Oh. So in-- currently, in order for them to maintain their status on the registry, they have to work for one of those organizations listed in page 2 of what I gave you.

HARDIN: Right.

KIERSTIN REED: The "for 8 hours," that was only an aside. So what we're asking is not just developmental disabilities, which is a home and community-based service, but also home care, which is the definition that is on the first page of the document. So that includes when folks are living in their, their own home and they receive a Medicaid waiver funded service. So home care, someone that's coming in and helping provide maybe bathing assistance, maybe feeding assistance, helping them prepare meals, very similar things. It's just for a different population. This is for older adults.

HARDIN: Thanks.

KIERSTIN REED: Yeah.

HANSEN: Senator Ballard.

BALLARD: Thank you, Chair. Thank you for being here. So when home care workers have-- do they just drop out of the, the workforce, or do they go work for one of these described-- if they have to fulfill their 8 hours? Are you, are you losing home care workers because of this?

KIERSTIN REED: So we do lose home-- we lose the continuity of home care workers. So here's what actually-- what my members describe happens to us. There's someone that they hire that happens to be a CNA, even though you don't need a CNA to do that job. So they build a relationship with the person they're providing care for, their family. They've, they've grown in this. And then they realize, my CNA is coming due. I gotta go work somewhere else. And then they start looking at what CNAs make in nursing homes or BSDC in their case, or other settings. And they're like, why am I working in home care when I can go make $28 an hour working somewhere else, or a temporary agency, or any other place? So then they go work for whatever that other service is, and then they usually don't migrate back. So they're leaving us. They're still staying as a CNA most of the time. They're not leaving that on the table. And that's what this bill is really trying to fix, is those that aren't leaving being a CNA, but they're stepping away from where they would really like to work because they need to maintain their, their license.

BALLARD: OK. Thank you.

KIERSTIN REED: Yeah.

HANSEN: Any other questions? Seeing none, thank you very much.

KIERSTIN REED: Thank you.

HANSEN: Anybody else wishing to testify in support of LB982? OK. Anybody wishing to testify in opposition to LB982? Seeing none, anybody wishing to testify in a neutral capacity to LB982? All right. There are none. So welcome, Senator Riepe back up to close. And for the record, we did have 1 letter in support and 1 in the neutral capacity for LB982.

RIEPE: Thank you, Chairman Hansen. I would simply say LB982 is a response to an obsolete-- an obstacle in the process of attracting and retaining CNAs in just 1 healthcare delivery model. We need to reduce

some of the regulations, some of the burdens, for them to be able to access and to be accessible. Thank you. Sir. Any questions, I guess?

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

RIEPE: Thank you.

HANSEN: All right. That will close our hearing on LB982. And then we will open it up for LB1283, and welcome Speaker Arch to open. Welcome.

ARCH: Good afternoon, Senator Hansen, members of the Health and Human Services Committee. For the record, my name is John Arch, J-o-h-n A-r-c-h. I represent the 14th Legislative District in Sarpy County, and I'm here this afternoon to introduce LB1283. LB1283 is a cleanup bill that was brought to me by the Revisor's Office, and it corrects the name of a commission under the Medicine and Surgery Practice Act, references to the Educational Commission on Foreign Medical Graduates are changed to the correct name of the Commission, which is the Educational Commission for Foreign Medical Graduates. The Educational Commission for Medical Graduates was established in 1956, and is responsible for evaluating the qualifications of international medical graduates seeking to enter U.S. graduate medical education. Certification from the Commission is required to take the U.S. Medical Licensing Examination. At some point between 1974 and 1978 in Nebraska's statutes, the "for" in the Commission's title was changed to an "on," and the name of this Commission has appeared incorrectly in our statutes ever since. LB1283 would correct this grievous error. That concludes my testimony, and I would try to answer any questions you might have.

HANSEN: Thank you. Are there any questions from the committee? I notice there's no fiscal impact on your bill.

ARCH: There's no fiscal note. Yes. There's no fiscal impact.

HANSEN: OK. All right. You staying to close?

ARCH: No.

HANSEN: OK. Right. Just making sure. OK, just to make sure. Are there any testifiers in support of LB1283? Are there any testifiers in opposition to LB1283? Are there any testifiers in the neutral capacity to LB1283? Seeing none, Speaker Arch waives closing. And that will close the hearing today for LB1283.

_____: Best hearing of the year.

HANSEN: Now, if the next 2 bills can be just as easy as that, that would be great. And now, we will open it up for LB1086 and welcome Senator Walz to open. Welcome.

LYNNE WALZ: How are you? No cookies today. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. For the record, my name is Lynne Walz, L-y-n-n-e W-a-l-z, and I represent Legislative District 15. Today, I'm introducing LB1086, which will eliminate the Department of Health and Human Services and create 3 new departments. So during my 8 years here in the Legislature and 6 years serving on the Health and Human Services Committee, I've seen some continuous issues that have arised from-- out of DHHS. Some of the issues that I've seen in my 8 years include: In 2017, DHHS was unable to respond to severe issues that were happening at mental health facilities; 2019, the YRTC Geneva campus was in disarray and the department was unable to keep up, leaving children in pretty horrible conditions; in 2019 and going into 2020, DHHS signed a contract with St. Francis that they were unable-- left them unable to identify and address some of the major issues that were happening in the eastern service area; throughout 20-- 2-- 2022 and into 2023, Auditor Foley found over $330 million in accounting errors, and I would imagine that's largely due to staff turnover. The most recent juvenile room confinement report from the Inspector General found that there have been-- there has been a 44% increase in juvenile confinement incidents, and I would also imagine that that's due to lack of staff training and turnover. There's been a consistent problem meeting the statutory caseload requirement and a consistent problem spending out TANF dollars, putting our federal funding at risk. Again, that's just a short list of problems that I've witnessed during my time in the Legislature, but I don't think it's all of them. I do want to say and make it clear that I don't think this is any individual's fault. I think it's the system's fault. The people that work at DHHS work very, very hard to make sure they are providing services the best that they can. They are under a lot of stressful and highly complicated situations. The current system is just way too big to handle the intricacies of the needs overseen by divisions. It's pretty obvious that something needs to change, and I believe this bill could help the department be more effective for the constituents that we serve. To provide you with a little historical background, the operations of welfare and medical services have been distributed amongst several agencies. And in 1996, all services were combined into the Health and Human Services system. That consisted of 3 departments: DHHS, DHHS Regulations and Licensure, and DHHS Finance and Support. In 2007, Governor Heineman requested all departments be combined into the

department that we see today. The thought was that we would increase efficiencies in DHHS. However, I don't think the intended efficiencies were realized by the state, and the quality of services was negatively impacted by the combination. I appreciate the thoughtfulness that our legislative and gubernatorial predecessors put into the structures that we have in place today. But that being said, only in my short-- very short time of 8 years in the Legislature, it's become apparent to me that we need to have-- that we need to strategize better on how we can structure our DHHS system. I've been asked this enough, so I want to make it clear that nobody asked me to bring this bill. It was my own idea as a way to potentially address the concerns and issues that have fallen underneath this umbrella agency. I also want to say that this bill is an idea. I introduce this piece of legislation because I think we need to have a serious conversation about the operations of DHHS and if there's any better way, any better way to provide quality services. My office researched how other states operate the equivalent of our DHH-- of our DHHS, and found that 16 states operate under an umbrella agency like ours. Recently, North Dakota consolidated their departments into an umbrella agency. On the other hand, West Virginia just divided their DHHS into the Department of Health, the Department of Human Services, and the Department of Health Facilities. We, as a committee, I think, need to decide the best way to operate our state agency, with partnership of DHHS, to meet the unique needs that we have in Nebraska. As you see, LB1086 in front of you today would create 3 new departments: the Department of Children and Family Services, which would house the now Division of Children and Family Services, the Department of Public Health, which would have the current Division of Public Health, and finally, the Department of Health Care, which would be made up of the divisions Behavioral Health, Developmental Disabilities, and Medicaid and Long-term Care. Each department would have their own director that the Governor would appoint and the Legislature would approve. In Section 11, it states that if the committee would decide to move this bill forward, that our legal counsel would prepare a committee amendment to amend the necessary statutes. This was a similar process that was used for voter ID-- for the voter ID bill last year. The benefits of this would allow us to allocate resources more strategically, streamline operations, tailor policies to specific needs, and implement solutions to address each department's unique challenges. It would really improve the consistency of communication between the department heads and the Legislature. My goal would not-- would be to not repeat the last 8 years in the next 8 years. The matter of fact is that we have had multiple closures in nursing facilities, multiple instances of unaddressed abuse and neglect, and a disarray-- and dis-- and disarray

and disorganization while under this umbrella agency. If the answer is restructuring DHHS to enhance the quality of services that we provide to Nebraskans, which should be the most important thing that we do here, and support employees of DHHS, then we need to have this conversation. With that, I'd be happy to answer any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you, Senator Walz. OK. So first, you mentioned Governor Heineman. So prior to his administration, we actually had multiple agencies?

WALZ: Yes. Yeah.

M. CAVANAUGH: I-- honestly, I was not aware of that.

WALZ: Yeah.

M. CAVANAUGH: So was it at the start of his administration that they were put together? And I think you said it in your, in your opening, but what was the, the thinking behind--

WALZ: I think, I think that his thinking was-- or whoever, the thinking was to provide more efficiencies--

M. CAVANAUGH: OK.

WALZ: --within the school department.

M. CAVANAUGH: So that brings me to my next question, the fiscal note, which--

WALZ: I haven't even--

M. CAVANAUGH: Yeah.

WALZ: --I think we just got the fiscal note.

M. CAVANAUGH: Oh, yes, probably. Well, I'll let you know. The fiscal note from our legislative office is an explanation. And it looks like overall, this would cost $4,600 to update the rules and regulations promulgation system. So from there, it's just, I guess, how we go about implementing it. And DHHS seems to feel that they have to hire 3 times for every position that they currently have. So I think maybe there's a, a misunderstanding of what separating them into their own

divisions means, that they don't have to hire the exact same staff that the overall administration has. Is that--

WALZ: Yeah. And I-- you know, honestly-- I'm going to, going to answer this honestly. I think that DHHS and our administration are savvy enough to figure out how we can divide up into departments without having to add that many additional staff.

M. CAVANAUGH: I agree, which is why I wanted to flag it for you. So, thank you. This is a really interesting idea. And I, I welcome the, the conversation we're going to have.

WALZ: Thank you.

HANSEN: Senator Riepe.

RIEPE: Thank you. Thank you for being here, Senator Walz. My question would be is do you-- how is your response to corporations, General Motors would be one, who has a chief executive officer, has something like 80,000 employees. Where I'm leaning with that, is it a matter of the size or the talent or the culture? I knew, when Courtney Phillips was here years ago, she was very vocal about the need to develop a better culture within DHHS. But my question goes back to how can these big corporations run it with one CEO over multiple divisions, and we don't seem to be able to as a state? Do you have a feedback on that?

WALZ: I don't have any idea how GM does their business or what their model looks like. But I do think that it would be much easier to build a positive culture if we had 3 separate-- or how-- however it's organized. But if each of those divisions were smaller, I think that there would be an increased opportunity for communication. I think that training would be-- quality training for people. I just think that the, the, the umbrella of one big agency is just too much. I think the culture would change.

RIEPE: I know the state of Iowa would just collapsed their 3 into 1 Department of H-- Health and Human Services. So I think sometimes it's-- and consultants will tell you this too often. If you're consolidated, then you need to diversify. And if you diversify, do-- con-- consultants make a living going back and forth with organizations.

WALZ: Yeah. I'm sure they do.

RIEPE: After, you know, a few years, then they shift over and go the opposite way, so they don't really have good answers.

WALZ: We've had a lot of changes. When I first got out of high school, which was a long time ago. I worked for ANCOR. And service coordination-- the service coordinators were actually housed in the same office as the providers. And that was a few changes back. But I remember when they decided to-- I don't even remember what the change was. But they-- DHHS decided to-- I think it was an umbrella-type agency-- and how upset, you know, not only employees of DHHS and service coordination and providers were, but also families, because they just did not feel that they were going to get the quality type of services that they were getting at that point. They thought that there would be a breakdown of communication. And I think, you know, in a way, that's happened.

RIEPE: OK. Thank you very much. Thank you, Chairman.

HANSEN: Seeing no other questions, we'll see you at close.

WALZ: Thank you.

HANSEN: OK. We'll-- anybody wishing to testify in support of LB1086? In support?

MICHEAL DWYER: Yeah. Hoping somebody would step up in front of me. I think the Speaker scared everybody off. OK.

HANSEN: Welcome.

MICHEAL DWYER: Chairman Hansen and members of the Health and Services Committee [SIC], my name is Micheal Dwyer, M-i-c-h-e-a-l D-w-y-e-r, and I'm here to testify in support of LB1086. Thank you, Senator Walz, for introducing LB1086, and for beginning what I believe is a good conversation. I'm a 40-year veteran of Arlington Volunteer Fire and Rescue in 2,600-plus calls, and I continue to work on the report, The Future of EMS in Nebraska, which I believe all of your offices have. If not, certainly let me know. In my world, I get the privilege of volunteering to get up at all hours of the day, 24/7, to take care of old people and tiny babies and people that do stupid stuff in cars, and try to put the pieces back together. And for 10 or 15 minutes, including Tuesday morning, I hold their lives in my hands. If you or anybody else in the state of Nebraska and most of the country would like to volunteer to join me, you'll go through a-- an approximately 160-hour course, plus at least that many hours in study, plus practicum, plus ride-alongs, then pass a college-level proctored test, all for the privilege of volunteering to help your neighbors. That is the result, in my opinion, of a bureaucracy. To be sure, and to

Senator Walz's point, HHS is full of a lot of good, good people that are dedicated to helping others. I don't question that for a moment. This is not about individual people, but those same people can be crushed by the weight and the power that has clearly become, become-- excuse me-- the behemoth that's capable of swallowing good ideas, even legislative directives, while doing what bureaucracies do best, and create layers and layers of rules and regulations that many times, only serve to feed the bureaucracy and give power to a culture of defiance that prohibits real progress. I don't know if you're going to be able to break up HHS by April 18. But I do hope, and again, to Senator Walz's point, that this-- that LB1086 will begin a sincere conversation about what is the appropriate and effective role of government agencies. From where I sit here or in the back of an ambulance at 2 a.m., I don't believe the current state of the Nebraska Department of EM-- of Health and Human Services, excuse me, does that. Again, thank you, Senator Walz, for bringing LB886 [SIC], and I'd be happy to answer any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? There are none. I thank you very much. Anybody else wishing to testify in support of LB1086? Welcome.

TOM SAFRANEK: Thank you, Senators. Thank you, Senator Walz. Thank you, Doctor. I hope my remarks rise to the level-- which I just heard from your testimony. My name is Tom Safranek. I'm a physician. I live here in Lincoln. I did my undergraduate work at the University of San Francisco. I went to medical school and did internal medicine residency at Georgetown, Washington, D.C. I did infectious disease fellowship training at Creighton University, and then spent 3 years at the Center for Disease Control, where I, I obtained public health training and epidemiologic experience. In 1990, I applied for the newly created job-- 1990-- of the state epidemiologist. It was formally classified by state personnel under the direction of Dr. Gregg Wright. And so I was the first, I think, formally designated state epidemiologist in Nebraska. Others may have performed some of those functions without having that title. And that was during the-- Kay Orr's administration. I served in that capacity from September 1990 through February of 2021. I was kind of wanting to jump out of my chair here to answer some of these questions, because I do have a little bit of historical memory. So I was there for about 31 years. For the first 8 years of my employment, I worked in the Department of Public Health. In about 1998, in work initiated out of Governor Ben Nelson's office under the oversight of Lieutenant Governor Kim Robak, we went through this process of, you know-- couldn't we have a, a kumbaya moment, by creating an umbrella agency, at that point with 6

divisions. At that point, the Division of Veterans Affairs was incorporated. So there was a tremendous amount of excitement and, you know, hope, for these 6 entities. It took about 10 years before the Department of Veterans Affairs extricated itself from the umbrella agency, and just felt like its mission was unique enough and it was more encumbered by being part of an umbrella agency. So now they're a free-- freestanding agency. The statute today under discussion does, for the Department of Public Health-- and that's my main interest. Although, I think the Department of Public Health has been, has been affected negatively by many of the controversies and, and problems that Senator Walz mentioned. And as a result of that, the Department of Public Health has been marginalized in a way. I think the Department of Veterans Affairs felt that way. So this law establishes a freestanding Department of Public Health as a code agency, directly reporting to the Governor. And I support that proposal. In 1998, when the umbrella agency was proposed, it was considered an experiment. That experiment has now run for about 25 years. And it's time to look back at that experiment and assess whether it's benefited in-- a particular division or department. I'm interested in is Public Health, in pursuing its goals and objectives. I don't hear anyone-- I don't see anyone here testifying how great it's been to have Public Health part of this umbrella agency, and how much better off Child and Family Services, Medicaid, mental health substance abuse, developmental disabilities-- like, we are so much better and thank you, public health colleagues. And similarly, I don't hear anyone in the Division of Public Health here testifying how wonderful it's been and how much better the division has been because of its inclusion under the umbrella with the other 4 divisions. Having worked under both systems, my opinion is that the mission, the vision, the goals, the values of Public Health were more clearly articulated and embraced by the approximately 500-person workforce, when Public Health was organized into its own department. There was pride, purpose, mission. And these have vanished or washed away here, over the last 25 years-- a sense of importance. Like the department-- like the Nebraska Department of Veteran Affairs, the Department of Public Health is minuscule compared to the overall size, budget, personnel of the other divisions. Leadership in the CEO position of DHHS has never been recruited with a look at their background, training, experience, or commitment to public health. So in that sense, Public Health has felt, you know, ignored and marginalized. There hasn't been expertise there to champion and advocate for Public Health. Similarly, and very importantly, Governor appointees to leadership positions within the Division of Public Health have lacked such background, experience and understanding. Individuals in these positions have been good people,

decent people, well-meaning people, ethical people. I consider them my friends. And, and, and like Senator Walz said, this isn't criticizing any 1 individual, but in many ways they have been-- they've lacked the leadership skills and managerial skills and the subject matter expertise in the domain of public health. From the very start of the DHHS umbrella agency, the individuals appointed to the leadership of the Division of Public Health have more closely resembled patronage appointments than credible public health leaders. This lack of experience creates morale problems with the agency, as a workforce looks to leadership for direction and support. Morale is further eroded when entities run out of the central CEO office, such as budget, legal and HR deal with the Division of Public Health staff. Those offices often have more control over the workforce in the Division of Public Health than the Governor appointee, who is the head of the Division of Public Health.

HANSEN: Doctor, if you could, the red light is on.

TOM SAFRANEK: I see the red light.

HANSEN: So if you can wrap up your final thoughts here in a few sentences, that would be great.

TOM SAFRANEK: OK. Good.

HANSEN: And we can ask you some questions if we need to.

TOM SAFRANEK: Good, good. I would like to underscore the importance of the profession of public health. We have a phenomenal college of public health in Omaha. It's a discipline that individuals acquire those skill sets, and are then suited to work in governmental public health. I would like to suggest a modification to Senator Walz's bill. And I would propose that a committee of 3-- 3 or 4 individuals who understand public health solicit applications and screen them and take 3 names forward to the Governor for the Governor to choose the leader of the Division of Public Health. I think it would greatly enhance the morale of the agency, the leadership of the agency, and, and the success of Public Health, which I believe is critical. And I will close with my mantra, public health is national wealth. We are squandering massive amounts of resources by frittering it away in morbidity and mortality-- premature mortality. And I, I, I respect the Unicameral for understanding that and supporting that mission. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Senator Ballard.

BALLARD: Thank you, Chair. Thank you for being here, Dr. Safranek?

TOM SAFRANEK: Yeah.

BALLARD: You mentioned mission a few times. The separation of each division, is there a downside of not having 1 main mission as a full department-- having maybe 5 or so different missions from divisions. Do you see any downside in that?

TOM SAFRANEK: You know, it's a complicated issue. You know, I would say the Division of Public Health is dedicated to prevention of morbidity, you know, prolongation. We, we look to life span and health span. We want people to live long and healthy lives. And we are into trying to identify what causes premature morbidity and mortality. And are there prevention approaches? And so that's kind of a mission and a mantra. What do you do when you're mixed in with Medicaid or Child Family Services? You know, there's a lot of differences, I would say, and it's hard to get that unified. You know, it's like, the, the military academy-- U.S. military academy is beat Navy. That's their mission. It's, it's pretty clear to everybody. But when you get to, you know, DHHS, it's partly what I think explains-- you know, we're there. We're aligned. I don't know that, say, the secretary of HHS has ever challenged the division appointees, the leadership, to say, what have you done to reach across divisions and, and prove the merits of having an umbrella agency? You know, I don't think we've done that kind of thing.

BALLARD: Yeah. I guess what I'm getting at is, do you think there would be a silo in each division? And then they will-- they will not willing to reach across department-- divisions.

TOM SAFRANEK: I think it's siloed right now, as an umbrella agency, I would say largely siloed, you know. I would say largely siloed.

BALLARD: OK. Thank you.

HANSEN: Senator Hardin.

HARDIN: Kind of partnering up with Senator Ballard's question, you have a unique position because you were there 25 years ago, and now. And what's your sense, in terms of 25 years ago, if it was working really well, then how come it changed?

TOM SAFRANEK: You know, I'll say, I don't know that it ever really worked well. I never saw across division. Like, we are feeling as close to our fellow division members as we do to those within our own division. There have been times when it's, it's been more of a stiff arm than a, kind of, a handshake between divisions and, and ideas about cooperation and all. You know, people are so fixated on we have our budget-- you know, I've made data requests to Medicaid. There's a lot of fascinating public health data in the Medicaid system, in the Medicaid clientele. And it's kind of like, well, you know, get in line. You know, you're our lowest priority. I got an order from the director here or there. And, you know, you end up feeling like you're marginalized. And, you know, maybe it's a question of overall resources or something. I don't know. But I, I haven't found a robust collaboration between the divisions. And, you know, maybe, maybe making that, like, a, a strategic priority for the CEO, to say, now that I'm the new CEO, I want to prioritize interdivision collaboration. I don't know that a CEO has ever done that.

HARDIN: Do you recall what was going on-- so we were leaning on, what, 2000, into the '90s?

TOM SAFRANEK: 1998 was when it happened.

HARDIN: Do, do you recall what challenges were going on statewide? And not just with Public Health, but across the various divisions, that may have made them say, oh, you know what? We need to unify all of it. Does, does anything come to mind?

TOM SAFRANEK: It's a good question. It's a really good question. Kim Robak would know the answer to that. You know, she was Lieutenant Governor, and championed this. I think they had a, a major grant from a national funding org-- organization. And, and that organization was supplying resources to, you know, investigate and effect an umbrella agency approach. And it was just hope, I think. You know, it was hope that while, you know, maybe we've had a lot of these same problems as separate divisions, and is there hope, that if we put them all under an umbrella that, that we'd have better outcomes?

HARDIN: Having worked in insurance myself for many years and across and with many departments of insurance across the United States, I can tell you that one of the challenges in that world is swinging the pendulum very hard back and forth over the years, without kind of looking at where we've been. And we end up repeating mistakes without really reflecting on, wait a minute, why did we do this in the first place? And I am just bringing that lesson to this and saying, is it

something worth-- because it's going to cost some money. I sure see a lot of zeros on this fiscal note, in, in potentially moving things around.

TOM SAFRANEK: Um-hum. Yeah.

HARDIN: And so, I'm curious about it.

TOM SAFRANEK: I think there are people still around who orchestrated that umbrella agency, that would be able to give some historical perspective. I was relatively new and focused on Division of Public Health, so I wasn't so much aware of these challenges with Medicaid, Child Family Services. Like, how come we can't get more cooperation, collaboration amongst them? And it's a legitimate question to leadership, maybe in the last 10 years, for CFS, Child Family Services and Medicaid. Like, how has the umbrella agency benefited your mission?

HARDIN: Thank you.

TOM SAFRANEK: Thank you.

HANSEN: All right. Any other questions from the committee? Seeing none, thank you very much.

TOM SAFRANEK: Thank you.

HANSEN: Anybody else wishing to testify in support of LB1086? All right. Seeing none, is there anybody who wishes to testify in opposition to LB1086?

TONY GREEN: Thank you. Good afternoon, Chairman Hansen, members of the Health and Human Services Committee. My name is Tony Green, T-o-n-y G-r-e-e-n. I am the director for the Division of Developmental Disabilities in the Department of Health and Human Services. And I would like to testify in opposition to tell-- LB1086, which would eliminate the Department of Health and Human Services and create 3 separate departments. As you heard, nationwide, states have taken 2 approaches to health and human service agencies. States often fluctuate between combining agencies into a single, large agency and breaking up the agencies. The Nebraska Legislature chose to create 1 single Health and Human Service agency. And since that time, the department has made great strides to integrate programs into a single, cohesive state agency. If the Legislature were to break up the department down into smaller agencies, this would nullify progress made thus far. The Department would prefer to remain as 1 single

agency, where we can continue our collaboration to meet the needs of Nebraskans. There would also be a significant cost to dividing up these agencies. Currently, divisions share, as you've heard, IT infrastructure, among many others. And should these systems need to be replicated, the time and cost to do so could be great. We would respectfully ask that the committee not advance the bill to General File, and I'm happy to try and answer any questions on this bill that I can.

HANSEN: All right. Thank you. Any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. I noticed a change in your title. Is that-- it's shorter or has fewer--

TONY GREEN: I'm just using 1 of them.

M. CAVANAUGH: Oh,OK. OK. That's what-- I was like, is there an announcement?

TONY GREEN: We were going for a shorter typed words per page. Yeah.

M. CAVANAUGH: I see. I see. It, it--

TONY GREEN: Just 1 title.

M. CAVANAUGH: --we are at the end of hearings, so I, I get it. I get it. That was my only question. Thank you.

HANSEN: All right. Any other questions? Seeing none, thank you.

TONY GREEN: Thank you.

HANSEN: Anybody else wishing to testify in opposition to LB1086? All right. Seeing none, does anybody wish to testify in a neutral capacity? Seeing none, we'll welcome Senator Walz back up here to close. And for the record, she did have-- it says, actually, that there were 2 proponents and 3 opponent letters. But I went-- in reading them, what I think-- somebody must have misclassified it. They actually came in as an opponent, but reading their testimony, they're actually a proponent. So it's actually 3 proponents and 2 opponent letters.

WALZ: All right. So when I first came up with the idea of this bill and created it and introduced it, I really had a lot of people who thought it was kind of funny that I was here to blow up the Department

of Health and Human Services. And I don't think it's funny at all. I don't think it's funny when our senior citizens are displaced after working for years and taking care of their families and volunteering in their communities, to have to move away from their communities and their family, the most important people in their lives, because their nursing homes or their assisted living facilities are closing. I don't think that's funny. I don't think it's funny when our kids are taken out of homes, where they're in abuse situations. And they finally think that they're going to be safe. And they're put into foster care homes, where they're getting the same abuse and neglect. I don't think it's funny when we have more people sitting in jail due to a mental health crisis because we lack mental health resources and facilities in our communities, the places where they really need the help and can get it. I don't think it's funny when we have children and families literally without food or transportation or shelter or clothing, but we have millions of dollars sitting in a fund that can help. I don't think that's funny. I don't think that at any time that we're unable to provide the people who live in Nebraska opportunities to succeed with dignity and respect and be accountable for those funds and those services, and we can't provide them? I don't think that's funny. I don't think the employees who work at the Department of Health and Human Services think it's funny, when they work so hard. I do not believe that this is the fault of any employees who work at DHHS. I have a very good working relationship with the people who work there. I think it's rather a problem with the massive systems approach we've taken. This bill is very intentional. Something does need to change. We do need to have a conversation, because things aren't going the way they should for Nebraskans. And I would be open to making any changes, having any conversations, because those things that I mentioned before are important. The number one thing that our families and I would imagine everybody sitting in this room today, the number one thing, the number one priority for your families is that they're healthy and they're safe. So I would hope that you will consider voting this out of committee, at least to start conversations on how we can do better. Thank you.

HANSEN: Thank you. Any questions from the committee? And if I can ask, is this your last bill?

WALZ: This is my last bill.

HANSEN: Yeah, well--

WALZ: My very last bill.

HANSEN: --personally, being on HHS with you for the last 6 years, your thoughts, opinions, and your big heart will be sorely missed on this committee. So, I just wanted to say that. So.

WALZ: Thank you, Chair Hansen.

HANSEN: All right. Thank you. And that will close the hearing on LB1086. And we saved the best for last.

BALLARD: I don't follow that.

HARDIN: Good luck.

M. CAVANAUGH: You can, you can waive both opening and closing.

BALLARD: Just have opening.

HANSEN: We will open it up now for LB1392, and welcome Senator Ballard to open.

BALLARD: Good afternoon, Chair Hansen and members of the Health and Human Services Committee. My name is Beau Ballard. For the record, that is B-e-a-u B-a-l-l-a-r-d, and I represent Legislative District 21 in northwest Lincoln and northern Lancaster County. I'm here today to introduce LB1392. LB1392 amends the statutory duties of the Foster Care Reimbursement Rate Committee, a subcommittee of the Nebraska Children's Commission, to include all child welfare services, such as a supervised parenting time and visitation, family support, and intensive, intensive family prevention, in addition to the reimbursement rates for foster caregivers and administrative rate for foster care agencies. The bill was brought to me by a coalition of service providers to help address the need to review child welfare service provider rates, as a member of the HHS and Appropriations Committee have heard for the last several years. Notably, legislation introduced, such as LR240 from last session, LB1078 this year, as well as legislation from Senator Conrad, Senator Wishart and Senator McDonnell in previous years. What is clear from this ongoing conversation is that the state needs some sort of mechanism to examine whether rates paid to critical service providers are sufficient. If they come up short, the children's family-- come up short, the children, family serve to lose. So without a regular review of the process for doing so, policymakers like us are left to make decisions without the full picture of the situation. As we've heard before, these service providers are the formal support network for children and families when child abuse or neglect is suspected or has occurred. They're responsible for delivering high-quality service, maintaining

connection between children and parents when separated, providing support for foster care givers, and in many ways, are geared to keep case progressions moving forward towards reunification. My hope for this bill is the continued, ongoing conversation about meaningful child welfare rates [INAUDIBLE] to address a long-standing issue. Today, we'll hear testimony from child welfare service providers and Nebraska Children's Commission who are able to answer more questions. But I'd be happy to answer any questions about LB1392.

HANSEN: Thank you. Are there any questions from the committee? Seeing none.

BALLARD: Thank you.

HANSEN: Thank you.

WALZ: Wait. You had one.

RIEPE: No, that's fine. That's fine.

HANSEN: Oh? OK. We'll take our first testifier in support of LB1392.

TIM HRUZA: Good afternoon, Chair Hansen and members of the Health and Human Services Committee. My name is Tim Hruza, last name is spelled H-r-u-z-a, appearing today on behalf of the Children and Families Coalition of Nebraska. I want to start by saying-- thanking Senator Ballard for introducing LB1392. I am responsible for all of the words on those pages in front of you. This is an idea that we came up with a few years ago and have, have never introduced in terms of legislation until, until we decided to-- had some conversations with Senator Ballard this year, to pursue a conversation about this. One thing that you've seen me testify about over the last several years-- I, I typically appear once a year in front of you, at least. Also, in front of the Appropriations Committee, and talk about child welfare rates. We do not have a really good system for how we review what we pay providers and how we reimburse them, and whether or not those rates are sufficient to make sure that our providers continue, continue to be able to offer services. I know the Legislature has made efforts over the last several years to increase rates. We had a considerable amount-- posts, posts after the ARPA dollars came in. We did get considerable rates in the double digit range from the Legislature. And that was helpful. But with the inflationary pressures that were put on, hiring employees and those sorts of things, it just has not kept up with where we need to be. I can also report to you that we have providers that are members of my association. We represent about 12

service providers-- it might be 11 now, service providers that provide services to children and families across the state. This last fall, I think I had 2 of those providers that have started to cut programs almost entirely because the rates just aren't as-- aren't sufficient for in-home services and those sorts of things. What we don't have is a good mechanism to come and inform you all, whether it's the HHS Committee or the Appropriations Committee or the members of the Legislature, about what they should be. We come in and ask for a percentage or the committee-- the Appropriations Committee settles on a 2% across the board, or this year, you know, might not be anything. And, and we don't take a, a service by service look at it that informs you guys, other than what I can come forward and give you a handout with what we think it should be. This was a clever way that we thought you could expand an existing, active with-- review of rates to include more than just foster care services. A lot of our providers do provide those foster care services already. So rather than just having a microcosm of what's happening in child welfare, we thought it might be a good way to expand to that. You'll see a fiscal note that says, hey, that might be some more work for the Children's Commission. And, and it would be, just in terms of broadening that scope. But, but this is an existing mechanism statute that includes members, providers that are doing these services, and others that would be able to review it and bring you a report every year. Whether or not that's the best way forward, I don't know. But it's, at least, a, a new and innovative option that we thought we should discuss. So with that, I'll answer any questions. I'm sorry if it was kind of rambly, but I do thank you for your attention and for your, your interest in having a discussion about how we review these. One last thing. I've been representing CAFCON for 5 years now. This is my, my fifth session representing them. We have not had a comprehensive rate review in child welfare since the 2000s. And, and when I first started, at that time, director Matthew Wallen was working on getting funding for one, and it, it didn't happen. His predecessor and the predecessor after that, both have had conversations. We just have not ever pursued doing that from DHHS's side. So, with that, happy to answer any questions you might have.

HANSEN: All right. Are there any questions? Senator Riepe.

RIEPE: Thank you. Senator-- Chairman Hansen. My question is this morning, I had one on pharmacy. They were talking about spending $75,000 every 2 years to do a survey. Do you see any merit? Because absolutely every agency or ser-- that we've run into, whether it's a state agency or an, an independent agency, the rates are down. The rates are low, you know. So at some point in time, we almost have a--

have to have-- and I don't want to create another full time division to make-- instead of Senator Walz's 3, we would have 4. But one is almost a, a rate review. I mean, I'd like to add up all the money. Is that a-- or is there a similarity enough, between agencies, to come up with someone that's a numbers person or persons to build that kind of a ongoing function?

TIM HRUZA: Senator, I, I, I think-- I'm, I'm sensitive to, I think, what you're getting at, which is that if we're reviewing these all the time on everything, we're just spending money to figure out if we're paying enough money, right, throwing good money at, at bad or otherwise. What-- that's sort of what I think is kind of clever-- I'm-- I'll title myself clever, coming up with this idea, sort of, or at least, our group. But that's sort of what's clever about the Foster Care Rate Review Committee, is while the Children's Commission staffs it, it's comprised of members of, of really, the providers, that sit down and do the work. Rather than hiring an independent person, you'd be paying some staffing costs, and that's, that's really the Children's Commission's-- they're understaffed, probably, for the work that they do generally. And so, I think that's a broader conversation about the scope of work that they do, but it is really the providers that sit down and kind of crunch the numbers in a methodical way on the foster care rate review process. So we thought, it's, it's a way of expanding that, but also giving you a statutory ex-- expectation. So I think, I think that's quadrennially, every 4 years, that they sit down and come up with a foster care review. We wouldn't be doing it every year necessarily, but just some sort of regular review so that we don't go-- I mean, it's been decades now. I think the last is-- it might be 2007 or 2009 was the last time we did something on-- an actual comprehensive study on child welfare rates. And, you know, we've had a pandemic and multiple economic ups and downs since then, that have affected just what you're able to do with your money.

RIEPE: If I were to sign off on something, I'd certainly want something more objective than the enlightened self-interest of the agency.

TIM HRUZA: Very sympathetic to that, too, Senator. I--

RIEPE: Oh, I'm not sympathetic at all.

TIM HRUZA: Well, I mean, I am. I, I think I would, I would support spending money on an objective third party. I mean, I think we really would-- and LB1173 kind of started that work, with the funding model and looking at those sort of things. But one of the recommendations

out of LB1173 was to do this, in some form or fashion. And, and I think the Children's Commission also would say-- and, and I don't want to speak for them. But I think I've seen a letter that they write, saying, hey, we could be a great place for that regular review that was recommended in LB1173 to take place, too. So.

HANSEN: Senator Walz.

WALZ: I just have a quick-- did you say that there was a handout?

TIM HRUZA: I don't have a handout today.

WALZ: OK.

TIM HRUZA: I think I gave one last year when I testified. I--

WALZ: I thought you said something about [INAUDIBLE].

TIM HRUZA: No, I meant that I, I could he-- I could.

WALZ: It's OK.

TIM HRUZA: I could definitely circulate kind of where, where we think we're short, you know, in double digit percentages here and there. It doesn't, it doesn't tend to always be received by the Appropriations Committee. I mean, it's just hard. It's hard-- you got providers that are in different places, too. So.

WALZ: Yeah. OK.

HANSEN: Senator Cavanaugh.

M. CAVANAUGH: I think what Senator Walz was referencing was the words, you wrote the bill.

TIM HRUZA: Oh, yes. Sorry.

WALZ: OK. I'm like looking for these words.

M. CAVANAUGH: Is that accurate?

TIM HRUZA: Yes. Yep.

M. CAVANAUGH: There you go.

WALZ: OK. Got it.

TIM HRUZA: You bet.

WALZ: Sorry.

HANSEN: All right. Any other questions from the committee? Seeing none--

TIM HRUZA: Thank you.

HANSEN: --thank you. Anybody else wishing to testify in support of LB1392? Welcome.

ERIN MARTIN: Hi. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Erin Martin, spelled E-r-i-n M-a-r-t-i-n. I'm the vice president of Jenda Family Services, a family service provider here in Lincoln. I'm also the vice president of the Nebraska Alliance of Family and Child Service Providers. This is an association of child welfare providers who individually contract with DHHS to provide services to thousands of families across Nebraska. I am here in support of LB1392. I want to thank Senator Ballard for introducing it. Every year, child welfare providers come to the Legislature requesting rate increases for the DHHS contracted services we provide. From 2010 until 2020, providers did not receive rate increases for services other than foster care. And while the services we provide have received modest increases in the last few years, currently the rates for many services have not been reviewed in over 15 years, and new services continue to be considered and requested by DHHS. The existing real cost of basic services must be accurately assessed when determining reimbursement for new services or service packages. Allowing current rates to lag incentivizes an inadequate assessment of cost of new services. Although LB1392 does not require rate increases for all services, it gives authority to the newly created Child Welfare and Foster Care Reimbursement Rate Committee to review and make recommendations to the Legislature as to what the rates for child welfare services should be, similar to what foster care is doing now. It would also provide a basis for determining accurate rates for new services DHHS may be considering. Ultimately, what providers want is a system for determining child welfare rates that is predictable, fair, and holds both us and DHHS accountable to taxpayers. Rate predictability allows providers to focus on what we are most passionate about: helping children and families achieve safety and permanency. LB1392 is a step in the right direction. I urge you to support it, and I, I welcome any questions you may have.

HANSEN: All right. Thank you.

ERIN MARTIN: Thank you.

HANSEN: Are there any questions from the committee? Seeing none, thank you.

ERIN MARTIN: Great. Thank you.

HANSEN: All right. Anybody else, anybody else wishing to testify in support of LB1392? Seeing none, anybody wish to testify in opposition to LB1392? Seeing none, anybody wishing to testify in a neutral capacity? Welcome.

AMANDA ADAMS: Hello. Good afternoon, Senator Hansen and members of the Health and Human Services Committee. My name is Amanda Adams, and I'm the policy analyst for the Nebraska Children's Commission. Here we go. All right. The commission is neutral on this bill because it would increase the responsibilities of the Foster Care Reimbursement Rate Committee, but doesn't provide additional resources needed to perform the tasks. The committee currently provides a rate methodology for foster care reimbursement to the Legislature and Health and Human Services. The commission is the appropriate agency to review the 16 specific services outlined in the bill. As we have 250 stakeholders over and across Nebraska that engage in our work, and many have the experience and knowledge related to these services. Should the bill advance, we recommend that the language be added to the bill that we get an additional staff in appropriations, as outlined in the fiscal note. So the commission was created in 2012 as a leadership forum for collaboration for child welfare and juvenile justice. Over the years, we've taken on more responsibility, and have 5 committees, including the Foster Care Rate Reimbursement, Bridge to Independence, Juvenile Services, Alternative Response and Strengthening Families Act. We have 2 paid positions to complete the work of 24 different workgroups and committees under the commission. And that totals about 150 meetings every year, and all of the planning and reporting that's associated with those groups. The commission is made up of 15 Governor-appointed members and 11 non-voting members. Currently, the commission has 4 vacant voting positions, and those have been open since June of 2022. And all of our members need reappointed in their current positions. While there has been interest and we have stakeholders that have applied to be on the commission, but they haven't received communication from the Governor's Office after they submit their application. So we're saying without a fully-appointed commission, the tasks assigned from this bill would also be difficult to complete. The

practice model, created with the LB1173 reimag-- Reimagining Well-Being workgroup, supports a provider rate setting and review process. We would support a third-party analysis, initially, and then continue the work moving forward so we can ensure that the rates are keeping up with economic factors and the cost of caring for children, children. That's what we currently do with our foster care reimbursement rates. We looked at USDA, cost of caring for a child. We look at inflation rates. And we also survey all of the agencies throughout Nebraska on what it costs for them. Regarding the additional staff and resources, in 2018, the LR451 was introduced by Senator Bolz, to examine the work of the commission. There were recommendations around the structure of membership, leadership, and commission staff, to optimize the stakeholder engagement with the commission and complete the tasks outlined in this bill. The structural recommendations should be revisited. And that's the attachments to my testimony, is just the 2018 recommendations that you've already seen. So thank you for the opportunity to talk to you. And I would welcome any questions.

HANSEN: Thank you. Are there any questions? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thanks for being here. So it sounds like your concerns, if those-- it's additional staff and funding.

AMANDA ADAMS: Yeah.

M. CAVANAUGH: I'm not speaking for Senator Ballard at all. But if those were changed, would that-- would this be a model that would work well for your work?

AMANDA ADAMS: We would-- yeah. I mean, we have stakeholders. And I, I kind of want to address-- we-- they're not just agency people. We also have foster parents. We've got HHS involved in our committee. So I, I do think it would be a structure that would work. Because as stated before, it's been so long since they've been rebased, I don't know that we would be able to take that on, but we would be able to continue.

M. CAVANAUGH: And you, and you are down commission members. So we would-- that's an added piece-- to pay attention to that.

AMANDA ADAMS: Right. So right now, it-- it's difficult to really feel good about 9 people making decisions for the whole state of Nebraska, because that's quorum. So we, we would like to, to find a way to get those people appointed.

M. CAVANAUGH: We have 49 that do that all the time, so-- OK. So--

AMANDA ADAMS: You're more competent.

M. CAVANAUGH: --on our good days. So a fully positioned commission, additional resources for additional staff.

AMANDA ADAMS: Yep.

M. CAVANAUGH: And this would be something that would be a good path moving forward?

AMANDA ADAMS: Yeah. Let's do it.

M. CAVANAUGH: OK. Let's do it. Thank you.

AMANDA ADAMS: Yep.

HANSEN: All right. Any other questions from the committee? Seeing none, thank you very much.

AMANDA ADAMS: Thank you.

HANSEN: Anybody else wishing to testify in a neutral capacity?

CHRIS JONES: Very friendly.

HANSEN: Welcome.

CHRIS JONES: Hi. My name is-- good afternoon, Chair Hansen and members of the Health and Human Services Committee. My name is Chris Jones, C-h-r-i-s J-o-n-e-s, and I'm the advocacy director for Nebraska Children's Home Society, or NCHS. Many of the services we provide for the Children and Family Services Division are statewide and unique to our expertise in the areas of permanency planning, post adoption and supports, relative and kin care supports, and lifelong connections. We are in support of creating a means to analyze and update provider rates across the continuum of services as a necessary step that provides consistency and stability for providers and allows Nebraska to focus beyond the crisis, to the work of improving our system for children and families impacted by it. NCHS supports the commission's work and has been actively involved in it since its inception. Our previous CEO was the first chair of the Children's Commission, our current CEO is on the executive committee, and I personally used to work for the Children's Commission, as well. So we have a long-standing and rich history of partnership with that organization

and value its work. We've seen the benefit of stakeholders from across the state coming together to solve the pressing problems facing our child welfare system, and understand that given the ongoing turnover that occurs, that occurs within the system, it is necessary to have the commission to steward ongoing initiatives and provide historical context for both HHS and the Legislature. Many successes have taken root from the work of the commission, and has been demonstrated to be an effective means for improvement for Nebraska, primarily when other system partners such as the Legislature, courts, and the Department of Health and Human Services has engaged and embraced those recommendations. Annual conversations about inadequate rates puts the focus on money and, and gets in the way of digging into the deeper challenges of our state, so clearly outlined in the LL-- the LB1173 practice and finance models completed last year. At an important time for the department to assess where constraints are holding them back and financial inefficiencies may remain, we encourage the department to consider how long-standing partner agencies and family advocates with expertise could be part of the solution, in providing necessary and forward looking, upstream innovations that prevent the need for high dollar letters of agreement placements referenced in their budget request this year. As we shared during our foster care adoption testimony for LR229 in December, we've seen permanency services whittled down over the years, due to instability from contracts and administration, which compounds the challenges children and families and their caregivers face. Most recently, our organization was notified that a service we've provided since 2015, Family Finding, is no longer being contracted, despite working most of the last year with the previous administration to expand it. Services like Family Finding, with demonstrated success in connecting more than 1,100 children languishing in foster care, congregate care, and expensive LOA placements with permanent, lifelong networks of support should be prioritized for investment and expansion, not cut. Family Finding is not only good for children and families, but is a cost-saving alternative to deep-end services for the state. Providers have worked through many transitions at DHHS to minimize disruptions. The impact of turnover at all levels in the child welfare system has serious consequences for children and families, and reverberating effects on the provider workforce, foster and kin caregivers, fractured trust in courts, schools and the medical community. Nebraska has so many dedicated professionals committed to seeing hope and healing brought to the state's child welfare program, including those at DHHS, but we cannot do that with the perpetual financial and administrative instability brought by our government systems. The rates are complex and specialized services are nuanced, and therefore the solutions

proposed must reflect those complexities. Although the Commission is a logical place for this, this work to continue, it really requires the full partnership of other branches of government in order to be successful. The Legislature has been a thoughtful and responsive partner with the commission and L-- LB1173 in the past, and we encourage the committee to remain engaged. It's ironic that I say that because it's like, the last testifier, the last day of hearing, and the last, like-- really getting big last day of school vibes. So thank you, Senator Ballard, for drawing attention to this important issue and highlighting the great resource we have in the commission. I would be happy to answer any questions that the committee may have.

HANSEN: All right. Thank you. Are there any questions from the committee?

CHRIS JONES: No.

HANSEN: We have none.

CHRIS JONES: All right.

HANSEN: Thank you.

CHRIS JONES: Somebody who's worked in child welfare for 15 years, it's been an incredible delight to hear the conversation about LB1086 and, and Dr. Safranek, as well. So thanks everybody for that. Thank you, Senator Walz.

WALZ: Yeah.

HANSEN: Thank you. Is anybody else wishing to testify in a neutral capacity? All right. Seeing none, we'll welcome Senator Ballard back up here to close.

BALLARD: First of all, I'd like to thank the committee and the testifiers for their time today. In light of the last hearing of the last hearing day, I just want to say that when I was appointed to the HHS Committee, I thought it was some penance for my sins in the past or a, a-- some freshman hazing. But no, in all seriousness, it is-- it has been a enjoyable 2 years with you all. It is a committee where you, you see challenges and you look for solutions. And that's exactly what LB1392 is. It is an opportunity to look for a solution of how we are reimbursing foster care. And so I appreciate the Chairman's commitment to looking at these methodologies. And with that, we are a-- definitely a res-- a resource rich state, with the experience and the knowledge that you heard today. So I'd be happy, happy to answer

any questions and look forward to the interim study that we are going to undertake in the coming months.

HANSEN: Thank you. Are there any questions from the committee? There are none.

BALLARD: Thank you.

HANSEN: Thank you very much. All right. That will close the hearing on LB1392, and that'll close our hearings for today.