

PRESIDENT: We will go to agenda item #4 on General File, LB 378 is pending and the Cullan-Marsh amendment is pending. Senator Cullan, I believe I will just let you start out. There is no list to start so why don't you just start out and continue where you were. The Chair recognizes Senator Cullan.

SENATOR CULLAN: Mr. President, members of the Legislature, I believe that we have disposed of Senator Hoagland's amendment to the Marsh-Cullan amendment. The amendment currently before the body then I believe, Mr. Clerk, would be an amendment that would lower the threshold from \$600,000 to \$500,000. We have discussed this on numerous occasions and so I do not see any need to spend a great deal of time reviewing it. I would point out that one of the rationales for raising the threshold generally is to allow the Department of Health to spend more time on major proposals. A study of one health systems agency in the certificate of need process in one state, and I believe it was Kentucky, conducted by Ernst and Whinney, indicated that that particular health systems agency spent a total of approximately 50% of their workload reviewing projects under \$500,000 in cost and that amounted to only 4.7% of the assets or the total project costs which were subject to review. So in that particular instance the HSA or the certificate of need process was spending 50% of its staff time on 4.7% of the total cost or construction projects that came before the certificate of need process and I think that is a good indication of the fact or the justification for having a threshold which are higher than the current threshold because it will obviously allow us to spend a greater staff time on more significant, more expensive proposals. I would urge you to adopt the motion that Senator Marsh and I have put before you lowering the threshold in the bill from \$600,000 to \$500,000 for capital construction.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, I would like to ask Senator Cullan a question.

PRESIDENT: Senator Cullan, will you respond?

SENATOR NEWELL: Senator Cullan, yesterday you indicated that the automatic escalator, the...I believe it is the construction index was something similar to numerous other areas where we have allowed for these kinds of indexes. I personally cannot recall where we have done that. Could you give us some examples of this because it has been my impression that it is basically constitutional