

**LB 826 - Testimony**  
**Health and Human Services Committee**  
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Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Vivianne Chaumont (V-I-V-I-A-N-N-E C-H-A-U-M-O-N-T), Director of the Division of Medicaid and Long-Term Care with the Nebraska Department of Health and Human Services. I am here to testify in opposition of LB 826.

LB 826 removes language from Nebraska Revised Statutes Section 68-912(4) that provides that the Nebraska Legislature has “reasonable opportunity” for legislative consideration of proposed rules and regulations regarding the establishment of cost sharing or limits to covered services for clients of the Nebraska Medicaid program.

The current statutory scheme requires the Department of Health and Human Services to notify the Governor, the Medicaid Reform Council and the Legislature, no later than December 1, of proposals to change cost sharing or benefits. The Department cannot implement any proposals in the December 1 notification until the Legislature has had a “reasonable opportunity” for legislative consideration of the proposals. “Legislative consideration” includes introduction of a legislative bill, resolution or amendment to pending legislation relating to such proposals. In other words, if the Department proposes a benefit limit in the December 1 notification, it can implement the proposal after the next legislative session if the Legislature took no action since the Legislature had “reasonable opportunity” to indicate that it did not want the Department to take the proposed action.

The current statutory process of the December 1 notification and “reasonable opportunity” for Legislative consideration is reasonable and appropriate. It allows the Department the flexibility to administer the Medicaid program while respecting the Legislature’s role as policy makers. This process has worked well in the past. The Department has proposed changes the Legislature accepted and it has proposed changes the Legislature did not. Now, LB 826 appears to require a bill, resolution or amendment to implement proposed rules and regulations rather than the reasonable opportunity for legislative consideration. This is a much more difficult threshold for the Department to meet.

68-905 states that the Medicaid program shall be appropriately managed and fiscally sustainable. I believe we, as a state, have made a concerted effort to bend the cost curve of the Medicaid program to ensure the program is sustainable. However, this has required difficult decisions particularly in light of federal mandates. In Fiscal Year 2011, the Nebraska and CHIP Programs spent more than \$1.57 billion meeting the needs of vulnerable Nebraskans. These

numbers represent the ongoing needs of more than 235,000 individuals and the very real solutions we provide as a State. It is important to note that between fiscal year 2010 and 2011 there was an increase of 10,894 Nebraskans served by Medicaid and CHIP and the total increase in average monthly eligible individuals was 4.9%. Medicaid eligibility is projected to increase by an additional 4.2% in fiscal year 2012. In December of 2011, eligibles had increased to more than 237,000.

Managing the growth of the Medicaid program requires difficult decisions and impacts real people. However, the program must be sustainable for the 237,000 plus individuals that rely on the program every day. This is a difficult program to manage. I am concerned that LB 826 would make it even more difficult for the Department to manage the program on an ongoing basis from year to year.

In conclusion, the point of the current statutory scheme is to provide flexibility while maintaining legislative oversight. I urge this committee to turn down LB 826.

I'd be happy to answer any questions.