

**Health and Human Services Committee**  
**LR 281CA**  
**February 21, 2018**

**Thomas “Rocky” Thompson, Interim Director**  
**Division of Medicaid and Long-Term Care**  
**Department of Health and Human Services**

Good afternoon, Senator Riepe, and members of the Health and Human Services Committee. My name is Thomas “Rocky” Thompson (T-H-O-M-A-S R-O-C-K-Y T-H-O-M-P-S-O-N) and I am the Interim Director of the Division of Medicaid and Long Term Care (MLTC) in the Department of Health and Human Services (DHHS). I am here to testify in opposition to LR 281CA, a legislative resolution proposing an amendment to the Nebraska Constitution mandating the Legislature to provide health insurance under the medical assistance program and expand Medicaid eligibility to individuals under the age of sixty-five (65) up to 133% (\$33,383 for a family of four) of the federal poverty level. Specifically, this resolution would place the constitutional amendment on the ballot for the general election in November 2018.


I want to be clear that I am not here to testify on the merits of a ballot initiative, but on broader concerns with expanding Medicaid.

The state’s current Medicaid program provides health care coverage to the most vulnerable in Nebraska—children, pregnant woman, the elderly, and persons with disabilities. I have serious concerns with the expansion of this program due to the large fiscal burden it would place on the state and diverting resources away from the truly needy.

In 2000, Nebraska’s Medicaid expenditures totaled \$983 million. Today, expenditures are over \$2 billion dollars annually. MLTC has worked to develop a reasonable estimate of the cost to expand Medicaid, as outlined in the resolution, using the data from our previous actuarial reports.

Nebraska Medicaid estimates that the proposed expansion would cost the state over \$800 million in new state General Fund spending during its first ten years, adding over 100,000 individuals to Medicaid or state support by June 2029. The annual state share of cost will rise to over \$80 million by 2023 and \$110 million annually by 2028. This cost does not include any provider rate increases to ensure access to services to this new population further increasing the cost of the program.

In November, Maine became the first state to expand Medicaid through a ballot initiative. However, Maine still has significant funding issues which the state has not been able to solve. Governor LePage has indicated they are looking at cuts to state spending in other areas to pay for expansion. This avenue to Medicaid expansion is being proposed in other states including Idaho and Utah. Regardless of how Medicaid is expanded, fiscal issues remain and must be addressed. Any expansion of the Medicaid program will have to be paid for, and will require large state appropriations. This is coming at a time when agencies are right-sizing budgets in the light of the state’s fiscal situation and are focused on delivering more effective and efficient services already being provided to Nebraskans.



I have additional concerns about expanding Medicaid at a time when the current federal administration has implemented changes to the Affordable Care Act. The administration has indicated they are reviewing potential further changes. There are also concerns with changes proposed by Congress to the Medicaid program, including how Medicaid is financed.

Due to these fiscal concerns and uncertainties, I oppose LR 281CA. Thank you for the opportunity to testify and I am happy to answer any questions you have.