Neb. Legislature **Medicaid Expansion Proposed**

BY GRANT SCHULTE Associated Press

LINCOLN, Neb. - Nebraska lawmakers unveiled a proposal Wednesday to expand Medicaid coverage as part of the federal health care law, saying the state needs to seize millions of dollars in federal aid while giving more residents access to preventative

Supporters argued that the measure would reduce long-term health care costs for county taxpayers and hospitals, and ease the financial pressure on the state by shifting many expenses to the federal government.

The bill also sets up a likely showdown with Gov. Dave Heineman, a Republican who repeatedly has voiced opposition to expanding the program under a now-optional piece of the federal law.

Lawmakers said the bill would extend coverage to more than 54,000 uninsured Nebraskans, and a new state report predicts that some insured Nebraskans would switch from their current plans. The proposal would cover 117,000 to 159,000 residents in all by fiscal year 2016, when the program is in full swing, according to a January report commissioned by the state Department of Health and Human Services.

"If we don't bridge this gap, people will continue to go without primary care, will continue to use emergency rooms and will continue to need more and more expensive care that drives up costs for everybody," said state Sen. Kathy Campbell of Lincoln. "Without it, tens of thousands of Nebraskans will continue to fall in a coverage gap with no affordable means of accessing health care.

The bill was introduced in the wake of a U.S. Supreme Court decision that struck down part of the federal health care law, one of President Barack Obama's top domestic achievements in his first term. The court upheld most of the law, but ruled that the federal government cannot withhold funding from states that choose not to expand their Medicaid programs.

Heineman has argued that the federal government has a history of reducing its contributions to other programs, such as special education, forcing states to make up the difference. Campbell said the federal government has shown a strong commitment to make expanded Medicaid work. Sen. Jeremy Nordquist of Omaha said federal matching rates fluctuate each year, but the federal government has never backed out of its contributions.

Nordquist said Nebraskans are already paying for the uninsured through the so-called "silent tax" of higher premiums.

We already pay for health care for the uninsured, but we do so in

deprive the state of federal matching dollars, paid by Nebraskans and others, that will go to other states. Krist, a Republican, pointed to recent support from GOP governors Jan Brewer of Arizona, Brian Sandoval of Nevada and Susana Martinez of New Mexico.

"The time has passed to debate the merits of the act," Krist said. "The only debate or question left is whether the leadership in this state allows the federal government to keep our health care cash money, or seize the opportunities and bring those monies back to care for Nebraskans.

Nordquist also introduced a bill Wednesday that would take \$23 million annually in savings from the first three years, and transfer it to a separate health care access fund. Lawmakers

could then tap the fund to cover its share of the Medicaid costs for when the federal contribution starts to decline.

Lawmakers have lined up a series of groups to support the measure, including Nebraska counties, hospitals, retiree and doctor organizations and advocates for the poor.

The bill "is a tremendous step toward ensuring the future health of Nebraskans," said Rebecca Gould, director of the public-interest group Nebraska Appleseed. She called it "our opportunity to make a smart investment in our state's economy and workforce, to make our state's health system stronger and more cost-effective, and to ensure hard-working Nebraskans will be healthier by getting the medical care they need.'



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a way that guarantees the most expensive care, often sought in the emergency room," Nordquist said. "When a person seeks care in the E.R. and can't pay, the cost of that care is passed on to the provider, who passes the cost of care on the insurer, who passes the cost of that care on to all Nebraskans with private insurance.

Nordquist said the bill would eliminate the need for county medical-assistance programs, which cost Nebraska's two largest counties millions of property-tax dollars each year. Douglas County pays \$4.7 million a year, Lancaster County spends \$2.8 million, and Sarpy County pays \$200,000.

Supporters argued that avoiding the Medicaid expansion would deprive the state of millions of dollars in federal matching funds to help cover the newly insured residents. The federal government has promised to pay 100 percent of the state's costs from 2014 through 2016. The federal contribution would

then ratchet down over a fouryear period. By 2020, the federal government would cover 90 percent of the costs while Nebraska picks up the remaining 10 percent.

Sen. Bob Krist of Omaha said the avoiding the expansion would

Bill Would Lower Inheritance Tax Rates

LINCOLN, Neb. (AP) - A Nebraska lawmaker has introduced a bill that would lower the state's inheritance tax rates.

Sen. John Wightman of Lexington proposed legislation on Wednesday that would reduce the rates paid by both relatives and non-relatives.

The bill would set a new, 9 percent tax rate on property valued above \$15,000, if the person inheriting the property was a relative. The current tax is 13 percent. Property valued at less than \$15,000 is not currently taxed.

The measure would also lower the 18 percent tax imposed on non-relatives for property valued above \$10,000. Wightman's bill would set the new rate at 13 percent.

The inheritance tax is used by Nebraska's 93 counties, which have vigorously defended it.