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Transcriber's Office

Health and Human Services Committee  
April 30, 2015

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[CONFIRMATION]

The Committee on Health and Human Services met at 1:30 p.m. on Thursday, April 30, 2015, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a confirmation hearing on gubernatorial appointments. Senators present: Kathy Campbell, Chairperson; Sara Howard, Vice Chairperson; Roy Baker; Tanya Cook; Sue Crawford; Mark Kolterman; and Merv Riepe. Senators absent: None.

SENATOR CAMPBELL: I want to welcome you this afternoon to the hearing confirmations of the Health and Human Services Committee. Just a reminder, if you have a cell phone, please make sure it's turned off or on silent as it's very disconcerting to hear that. And I believe we'll only have two testifiers today so I don't need to go through all of the information about that. But for Ms. Phillips and Mr. Lynch, you just need to know that when you come up to the table, you'll have to state your name for the record and spell it so that the transcribers can hear your voice and we get the right name on it. Anything else, Brennen, that I should mention on a day-to-day, got-to-do task type thing?

BRENNEN MILLER: I think that's it.

SENATOR CAMPBELL: What we'll do is, our--what should I say, ritual, habit, whatever?--that we do self-introductions here. So I'll start on my right, Senator.

SENATOR KOLTERMAN: I'm Senator Kolterman from the 24th District, Seward, York, and Polk Counties.

SENATOR BAKER: Senator Roy Baker from District 30, Gage County, part of southern Lancaster County.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford from District 45. And that's eastern Sarpy County, Bellevue, Offutt.

SENATOR HOWARD: Senator Sara Howard. I represent District 9 in midtown Omaha.

SENATOR CAMPBELL: I'm Kathy Campbell and I represent District 25 in Lincoln.

JOSELYN LUEDTKE: Joselyn Luedtke, committee counsel.

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SENATOR RIEPE: I'm Merv Riepe. I represent District 12 which is Omaha, Millard, and a small town to the east which is called Ralston.

BRENNEN MILLER: I'm Brennen Miller. I'm committee clerk.

SENATOR CAMPBELL: And we have a page with us today. Would you like to introduce yourself and where you're from?

BRANDON METZLER: I'm Brandon Metzler from Omaha.

SENATOR CAMPBELL: Okay. And you're majoring in?

BRANDON METZLER: I'm majoring in English and poli-sci.

SENATOR CAMPBELL: Excellent...just because that's what I majored in also. (Laughter) Anyway, we are delighted to have the hearings this afternoon and we will ask Courtney Phillips to come forward. We have looked forward to Ms. Phillips' arrival here in the state of Nebraska. I had the opportunity to exchange some e-mails with her prior to her arrival. And there would be times when I'd start to talk about some things that we'd discussed in the committee and I thought, no, I don't want to sound negative, I want her to come. (Laughter) So we welcome you today very much and, please, go right ahead.

COURTNEY PHILLIPS: (Exhibits 1, 2) Thank you. Thank you. Good afternoon, Senator Campbell and members of the Health and Human Services Committee. I'm Courtney Phillips, C-o-u-r-t-n-e-y, Phillips, P-h-i-l-l-i-p-s, and today actually marks my one-month anniversary here serving as the CEO for Nebraska Health and Human Services. It is an honor and privilege to seek confirmation to serve in this capacity. Before I go into a little bit of background about myself, I just want to take the opportunity to thank each of you over the past several weeks for taking time to meet with me to talk to me about your concerns, where you see the vision, and what steps we have to lie ahead of us. Now for a little bit about me: Up until now, to my move to Nebraska, I've solely lived in Louisiana. I'm from a small town south of New Orleans. As all of you know, that we've talked about, I have a 3.5-year-old son, Langston (phonetically), and I've received both my bachelor's degree and my master's degree from Louisiana State in Baton Rouge. I'm currently working towards my Ph.D. in public policy from Southern University which is also in Baton Rouge, Louisiana. Upon completion of my MPA, I began my tenure with the Louisiana Department of Health and Human Services as a management intern. I was fortunate to have early experiences and opportunities within the department that challenged me and allowed me to grow as a professional and as a leader. Those experiences helped to cultivate

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an appreciation for programs and the spirit that enable us to effectively recruit, develop, and retain top talent within the organizations that I have worked. That being said, we'll be developing and strengthening the department's connections with the Nebraska's universities, colleges, and high schools, because we need continuously quality employees at all positions within our organizations. So, Brandon, give us a call after you graduate. (Laughter) One of our focuses will be on employee relationships in terms of recruitment, development, retaining, and succession planning. Our goal should be that when students graduate, our department is where they want to be. I believe in where I am, what we do in our team. We have a committed group of individuals who are dedicated to the work that they do. The earlier part of my career at DHH was spent working with the various Medicaid programs. I was involved in developing and implementing policies as well as working with the budget, analyzing as well as maximizing financing options. My program experience included managing psychological and behavioral health services that were a part of a federally mandated lawsuit and other Medicaid programs such as the mental health clinic program; the mental health rehab option; as well as the rehab program for other functions; money follows the person; the hospital's admissions review programs; and other Medicaid programs such as transportation, dental, and vision. In 2009, I was afforded the opportunity to broaden my horizons and to serve as the executive management officer for the department's deputy secretary, a position that I would later hold myself. Before that, however, I've served as served as the secretary's chief of staff which is sometimes known as the firefighter of the department. Both of these positions involved taking on a broader, agency-wide responsibility including management and oversight of the agency's budget, stakeholder relations, as well as operational functions for an agency with an annual budget of over \$8 billion and, at the time, more than 10,000 employees. I was also involved with and helped coordinate a number of large initiatives including the creation of the Office of Behavioral Health, which was our integration for addictive disorders and mental health, as well as the Louisiana Behavioral Health Partnership, which included our system of care. And this helped coordinate behavioral health needs for at-risk youth across the departments of health, children and family services, the office of juvenile justice, as well as education. And I know from my conversation with many of you as well as Nebraska families that this is a priority for you all as well. It's very difficult, especially for the Nebraskan families who struggle at times to navigate the complex and fragmented system that we have. There are many opportunities for us to now learn from other states that have since gone forward in terms of the assistance of care not only from their successes but also their struggles. I became deputy secretary in 2013, a position I held until coming to Nebraska. In this position, I served as the chief operating officer of DHH and had direct programmatic oversight and supervision for the Offices of Behavioral Health, Public Health, Aging and Adult Services, the Commission for the Deaf, and the Office for Citizens with Developmental Disabilities. I also provided leadership to our human services authorities and these are similar to the behavioral health regions that we have here in Nebraska. So all that to say that I believe my experiences have prepared me to work with Governor Ricketts and this body to lead the Nebraska Department of Health and Human Services. I know that there are challenges, but these are

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indeed opportunities that I'm up for exploring and seeing improvements to fruition. I'm excited to be here and to work with those we serve, with you all, our DHHS employees, and our external partners to make the changes necessary to be a top agency. During my short time here, I've been learning about the department both from inside and out. I've met with numerous employees and visited some of our offices including sitting in call sessions at one of the ACCESSNebraska customer service centers. I've met with policymakers such as you all, collaborative partners, and our external stakeholders. I'm learning a great deal from many different perspectives. And that's important and necessary as we continue to develop a strong plan to move forward and seek continuous improvement. I intend to continue this process. And once the session closes, I plan to get out on the road and begin meeting with our team across the state. It's important that as we make policy and improvements, we consider all parts of the states. I do know this: We at DHHS cannot do it alone. We have the Governor's support which I fully appreciate, and we'll need help from you and other members of the Legislature as well as the families we serve, providers, associations, and other stakeholders to make these improvements realities. Again, I look forward to the work ahead and I make a commitment to you here today, to all of my staff, and to my fellow Nebraskans to give it my all. And with that, I am happy to answer any questions you all may have. [CONFIRMATION]

SENATOR CAMPBELL: Thank you very much. [CONFIRMATION]

COURTNEY PHILLIPS: You're welcome. [CONFIRMATION]

SENATOR CAMPBELL: Questions, Senators? Senator Crawford, I can tell you're ready. [CONFIRMATION]

SENATOR CRAWFORD: Thank you so much for your introduction and for being here. The first...I'm just going to ask this just based on your testimony, you had mentioned your discussion with Systems of Care. [CONFIRMATION]

COURTNEY PHILLIPS: Yes. [CONFIRMATION]

SENATOR CRAWFORD: Just so you know, there was Systems of Care planning here as well. So a lot of that discussion with stakeholders has happened and pulled together a lot of that planning, sort of sitting there waiting for someone to, I think, come in and have the initiative or, you know, have the desire to really make it to the next step. And part of that was, I think, applying for the funds to implement the Systems of Care program grant. [CONFIRMATION]

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COURTNEY PHILLIPS: Um-hum. Some of the System of Care planning grant?  
[CONFIRMATION]

SENATOR CRAWFORD: Um-hum. [CONFIRMATION]

COURTNEY PHILLIPS: So those are things that we're going to revisit. Part of what I'm doing with some of the conversations that I have with you all, some of our executive team management, as well as other staff is looking at where we are today, what are some things that we would like to do, what are some things that may have been on the back burner that we have not done but we still think are very important ideas, things that we would like to unveil and put back on the table. So that's part of what we're going to be looking at. And that would be one of those items. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Howard. [CONFIRMATION]

SENATOR HOWARD: Thank you, Senator Campbell. Thank you for visiting with us today. It's nice to see you again. I offered a favor to Senator Gloor and so I'm going to ask this question: What are your thoughts on patient centered medical home? [CONFIRMATION]

COURTNEY PHILLIPS: I believe in patient centered medical homes. Part of what we need to do in terms of moving our medical fruitions forward is looking at...and it's not just in terms of primary and physical health. It's in terms of all aspect that we do, is making the patient the priority. In addition the patient, we would also like to see, in terms of some of our ancillary services, in terms of DD and behavioral health, is how do we provide not just patient center but also some of those family centered services that you see that are needed in terms of behavioral health and children and family services? A lot of times of what we do, we focus on the child. We get the child into a position that we can either put them back into the family's care or that they are in a much better place before they entered our services. But we don't always bridge that gap in terms of the community and family services that are needed to help that child not come back into the system. So I think it extends outside of patient centered medical homes to a much broader capacity as well. [CONFIRMATION]

SENATOR HOWARD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Riepe. [CONFIRMATION]

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SENATOR RIEPE: Thank you, Senator Campbell. Thank you. I think in the initial conversation and then today, I see that you come with what I call my three Es. You have energy, you have experience, and you have education. So that's a very, very good start. And I would hope that, as a committee, that we'll be able to at this time...able to provide support and remove some obstacles and that we also might give you some encouragement to take enough risk to make some mistakes. And I think we can recover from those and it's just a matter of getting there. One of the things that I did observe in terms of looking...at one point in time, as a special assistant, you administered Louisiana's convicted felons program. So you have some correctional experience as well. [CONFIRMATION]

COURTNEY PHILLIPS: That was when I served as a special assistant within the Department of Elections at the time. It's now under the Secretary of State division in Louisiana. And that was really looking at, in terms of when an individual applied and came up off the rolls, they were then eligible to fill out the MVRA forms to go ahead and to be sustainable and voting. [CONFIRMATION]

SENATOR RIEPE: Just that slight, maybe if I may use that term, experience with corrections is important because we in Nebraska have a serious corrections issue. And if you look at the budget, clearly healthcare cost for the incarcerated is a significant cost and going up very rapidly, so. [CONFIRMATION]

COURTNEY PHILLIPS: Yeah, definitely. And Scott and Corey and I, Scott with Corrections and Corey with the court system, have already begun to engage in those conversations. And it is important, not just from my experience on that side but even my experience with Health and Hospitals in Louisiana focusing on, especially in the System of Care with the Office of Juvenile Justice, you want to put those preventive measures in place to prevent from kids going into that system which tends to sometimes be a much more costly system. [CONFIRMATION]

SENATOR CAMPBELL: Senator Cook, did you have a question? Oh, Senator... [CONFIRMATION]

COURTNEY PHILLIPS: Thank you, Senator. [CONFIRMATION]

SENATOR CAMPBELL: Senator, did you have a follow-up? [CONFIRMATION]

SENATOR RIEPE: No, no, I didn't. Thank you very much. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Senator Cook. [CONFIRMATION]

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SENATOR COOK: Absolutely. It's good to see you again. [CONFIRMATION]

COURTNEY PHILLIPS: Good morning. Thank you. [CONFIRMATION]

SENATOR COOK: I have a question about your direct experience using TANF dollars.  
[CONFIRMATION]

COURTNEY PHILLIPS: Yes. [CONFIRMATION]

SENATOR COOK: As you are aware, the Governor has issued a veto letter related to our plans to use money that's been sitting there in a pile. And ironically, it was identified by the gentleman who currently serves as Lieutenant Governor. So what's been your direct experience in using TANF dollars to address the issues you've already identified? [CONFIRMATION]

COURTNEY PHILLIPS: Yeah, so in Louisiana, how we're structured with the Department of Health and Hospitals, children and family services were not a part of it but we did have collaborative efforts with children and family services in terms of using some of those dollars to fund some of our other programs. For instance, we've had the women and dependent children program within our behavioral health department. And so there were several dollars from the children and family services that we maximized to bridge some of those strategies and services across departments. [CONFIRMATION]

SENATOR COOK: Okay. So that would be one example of using TANF dollars in...even though they... [CONFIRMATION]

COURTNEY PHILLIPS: They were allowed for that use. [CONFIRMATION]

SENATOR COOK: ...they were...they are allowed for that use. [CONFIRMATION]

COURTNEY PHILLIPS: We would subcontract with the children and family services for that.  
[CONFIRMATION]

SENATOR COOK: Okay. [CONFIRMATION]

COURTNEY PHILLIPS: We were their subcontractor to provide that service because our division had the expertise in behavioral health. [CONFIRMATION]

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SENATOR COOK: All right, thank you. [CONFIRMATION]

SENATOR CAMPBELL: As a follow-up to that, since you worked under that system and now Children and Family Services is within DHHS, was there an advantage for it being separate when you were in Louisiana? [CONFIRMATION]

COURTNEY PHILLIPS: I think you have to evaluate both options. Many states have them together and many states have them apart. Health and Human Services, even outside of Children and Family Services, is a megaorganization. Just in my time here in the last four weeks, I would like to take time to evaluate what that looks like. There are benefits, of course, as I explained in terms of the maximizing of financing but as well as the number of kids that cross over in terms of each one of those functions. We have operated as silos within our department. I think we need to do a better job of that not just in terms of divisions but even within divisions that I would like to see as...we will do a better job of that. And so it's not just across Medicaid/behavioral health, behavioral health and DD, but even within Children and Family Services we need to do a better job in terms of, how are we looking in terms of spending those dollars? How are we braiding the funding and integrating in terms of, when people are in different...we have them in buckets right now. And that's not how we should be operating. [CONFIRMATION]

SENATOR CAMPBELL: It would be interesting to see your evaluation of that, because in the big blue book... [CONFIRMATION]

COURTNEY PHILLIPS: Yeah. [CONFIRMATION]

SENATOR CAMPBELL: ...that I handed you when you came into my office, that was one of the questions, really, as to whether we separate out and create children's bureau or a children's division. So your analysis of that from the department, I think, will be greeted with some anticipation by this committee... [CONFIRMATION]

COURTNEY PHILLIPS: Okay. [CONFIRMATION]

SENATOR CAMPBELL: ...and good discussions because no one from the inside of the department in your position, I think, has clearly evaluated that. And it would be helpful because you would have seen another system. [CONFIRMATION]

COURTNEY PHILLIPS: Excellent. No problem. [CONFIRMATION]

SENATOR CAMPBELL: So we'll look forward to that. [CONFIRMATION]



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COURTNEY PHILLIPS: Okay. [CONFIRMATION]

SENATOR CAMPBELL: Other questions? Senator Howard. [CONFIRMATION]

SENATOR HOWARD: Thank you, Senator Campbell. Our child welfare system has been in flux for several years. We tried privatization and we're still trying privatization in the Eastern Service Area. But I'm curious about your thoughts about privatization especially when it comes to child welfare. [CONFIRMATION]

COURTNEY PHILLIPS: And so for me, there are functions that government may do great. There are functions that we do not do so great. I think there are opportunities when you can privatize things. There are opportunities when you can't. In terms of this specific privatization, it's going to take me time to determine where we need to be. You all know that we received approval to extend that contract for one year. I think part of my initial evaluation is, at some point, the privatization versus department were pitted against each other in terms of competition and that's not...for this next year, that...we will work on that, because they are an extension of the department and the work that we do. At the end of the day, the outcomes are the outcomes for the state. It doesn't matter who is providing them. And so we have a responsibility to work together, not against each other, in terms of reaching those outcomes. And so for the next year, that's what you'll see us working on in addition to evaluating where we need to be ongoing. [CONFIRMATION]

SENATOR HOWARD: Thank you. [CONFIRMATION]

COURTNEY PHILLIPS: You're welcome. [CONFIRMATION]

SENATOR CAMPBELL: Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. So I would like us to talk a little bit about ACCESSNebraska. [CONFIRMATION]

COURTNEY PHILLIPS: Okay. [CONFIRMATION]

SENATOR CRAWFORD: And I'm sure you've had many people talking to you about that. (Laugh) But I mean, it is a serious challenge. [CONFIRMATION]

COURTNEY PHILLIPS: Yes. [CONFIRMATION]

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SENATOR CRAWFORD: And we've had multiple studies on it. And I do appreciate that you've put the performance measures...you know, some performance measures, dashboard measures up, you know, to try to have accountability on some of those measures. And on that front, I'd really encourage you to consider call abandonment rates, because one of our concerns is, the average time masks the people who call and just give up and they don't get reflected in that call time. But I guess I'd just like to know your sense of what you see as the next steps, what your approach is going to be in making a change. We have both long-term change, but then we also need to work pretty quickly to avoid an impending fine. [CONFIRMATION]

COURTNEY PHILLIPS: Yeah. [CONFIRMATION]

SENATOR CRAWFORD: So we've got, like, urgent needs and long-term needs there. [CONFIRMATION]

COURTNEY PHILLIPS: Exactly. Yeah. I think part of the "dashboarding" is to keep us accountable so that you all as well as the public have visibility in terms of where we are with our measures. But the other important part of the dashboard is for us to see what areas need to be fine tuned and not just to focus on, ACCESSNebraska is not working. That doesn't really tell us anything, you all anything, or the public in terms of where we need to focus our resources and efforts. So by breaking it down to each one of those functions, we know where we need to funnel some of our resources and concerted efforts. For example, in terms of our...meeting some of those federal standards, also in terms of--and you all have received multiple calls around some of these things over the past several years--of information and tracking of documents. Numerous of your constituents call because, we've submitted our documents three and four times and no one seems to know where they are. And so looking at those individual functions in terms of, how can we make improvements to really knock out some of the issues that we see. So those individual dashboards allow us to know where we need to focus on. Call time, of course, is one of them. You know, do we need a system in place that allows someone to get a return call if they so request a phone call? Do we need to look at, of course, our imaging center in terms of how information is shared? Should we have a tickler that, if Senator Howard was the case worker, that she knows information is coming in on her particular individual that she's working with. Other areas in terms of the denial rate: You know, when you look at the dashboard in terms of, you know, are we doing our appropriate second review in terms of those denials because we're not meeting our measure on that? So that tells us, these are the areas we need to focus on and put some measures in place to improve those specific areas. So right now, that's going to be the immediate, is taking some of those specific dashboards. The ones that we're good on, let's keep it constant and keep it moving. Now let's focus our resources on some of the ones we're not meeting and what do we need to do to raise that dial and just continuing to work on it, to improve it? It's not going to improve overnight. It probably won't improve in the next month. But you see steps by steps and hopefully the calls that you're getting...you may not get any calls

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anymore in terms of, I've gotten denied over and over. You may not get calls that, my information is continually getting lost. And so hopefully the categories will start reducing till eventually you shouldn't receive very many calls on ACCESSNebraska. But it will take some time. But that's the approach that we're going to take on it. [CONFIRMATION]

SENATOR CRAWFORD: So you have a metric where you are tracking people who are returning because they didn't get their question answered or returning because their documents were lost? I mean, do you have a way to track that to try to see... [CONFIRMATION]

COURTNEY PHILLIPS: We don't have in terms of tracking documentation loss. But part of what I'm going to be looking at in terms of those denials...we know that that could be one of the reasons because of a lack of information. As I mentioned, I actually did...sat in on some of the calls. And one of the particular calls that I sat in, that was the issue in terms of information. Many of the family members that I've talked to, that was the problem in terms of information. And again, it's...so that's a piece of it in terms of, my information didn't get to it. It may not be that your information...you probably mailed it. But what happened between you mailing it and it actually getting to the case worker...and it could have made it to the imaging document center. But where is it in our system once it's scanned in? And again, how much are we encouraging individuals who can e-mail, who would like to e-mail, to use the e-mail? Again, not everyone wants to use e-mail. So if you don't want to do it, of course you can mail. But e-mail it's quicker for those who would like to use it. So just evaluating: How much information are we giving it, who are we giving it to and making sure we're consistent on it? [CONFIRMATION]

SENATOR CRAWFORD: Is there any experience in your work in Louisiana that you think bears particularly on this task like lessons that your bringing from some improvement process that you did there? [CONFIRMATION]

COURTNEY PHILLIPS: I think...well, and I'll speak overall in terms of call centers. Typically, in state government, we are not call center individuals. We have been a bricks and mortars kind of operation. And that expands out from Children and Family Services to Medicaid to all of our operations when we think of public health and behavioral health. We have typically been bricks and mortars. And so when moving to a call center, it appears that, as we developed it Nebraska, we developed it. And so now it's time to tap into individuals who do this as a expertise. And I will caution us, as we do that, to bring on the call center and operational expertise, that we have to ensure that we still keep the Medicaid and Children and Family Services expertise, because it's a very complicated piece that it's not just a basic call center if you were calling Amazon to track your package and they can put a tracking number in. This is really individuals who know the Medicaid and Children and Family Services eligibility. In the Medicaid, I will always tell my eligibility workers that, even with a cheat sheet, I couldn't keep up with determining Medicaid

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eligibility and knowing the ins and outs of it. And so these are very talented individuals who have a large scope of what they have to know to be able to help those that we have been chosen to serve. And so that's the piece that we have to blend together: the call center operations with the required knowledge and skill set to bring those two together. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Howard, do you want to make any comments as the Chair? Senator Howard will chair the special committee from the Legislature on ACCESS, so... [CONFIRMATION]

COURTNEY PHILLIPS: Yes. [CONFIRMATION]

SENATOR HOWARD: And I think last year, former Senator Dubas chaired and did a wonderful job. And we put out a report after traveling across the state. And what was nice was that we were starting to see a shift away from exclusively call centers to having at least a door and a person that people could go talk to. [CONFIRMATION]

COURTNEY PHILLIPS: Can talk to, um-hum. [CONFIRMATION]

SENATOR HOWARD: But what I found was that, in some of these places where there was an office, the office was really hard to find or it was really difficult to get to. In Scottsbluff specifically, it's at the end of a runway at the airport. (Laughter) [CONFIRMATION]

COURTNEY PHILLIPS: Okay. [CONFIRMATION]

SENATOR HOWARD: And so it's great for a call center, but it's not great for... [CONFIRMATION]

COURTNEY PHILLIPS: For in person, okay. [CONFIRMATION]

SENATOR HOWARD: ...somebody who is living in poverty and trying to get there. [CONFIRMATION]

COURTNEY PHILLIPS: That's something we can look at as our bricks and mortars operations that we have across. [CONFIRMATION]

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SENATOR HOWARD: And, of course, I come from my mother's background which was all bricks and mortar and people coming directly to their case workers and having assigned case workers. And so I'm excited to see sort of the changes that you plan to make in terms of making ACCESSNebraska more functional for Nebraskans. [CONFIRMATION]

SENATOR CAMPBELL: What has been the most surprising thing to you in your one month? [CONFIRMATION]

COURTNEY PHILLIPS: Work related or non-work related? (Laughter) [CONFIRMATION]

SENATOR CAMPBELL: Either. [CONFIRMATION]

COURTNEY PHILLIPS: Both. So I'll speak to work related. I'm not as concerned as the things that have been in the newspaper, testified in committee hearing. Those big issues mean that there are some underlying things that we will have to work on. And I've talked to most of you all about this in terms of systems and operations, making sure our computer systems talk to each other, making sure we have accurate data in terms of when we're reporting and giving out information whether it be to you all, the public, or the federal government. And those are the things that cause some of these overlying issues that we have in front of us. So that's the...that is going to be the biggest thing as you ask the question or open the door, open a window, these smaller things that pop up that will need to be fixed in order to create some of these larger issues going down. So I'm not as concerned in terms of ACCESSNebraska or Children and Family Services. Those are major issues that we have to work on. But they are also caused by so many numerous smaller issues that are within the department that are not visible and that we won't know about until we start opening doors and windows. In terms of outside of work, one of the things that I have been extremely pleasantly surprised about is, in the south, we think we are the most hospitable people. (Laughter) It has been very refreshing that everyone has been very open to me and my family in terms of welcoming us here not just on a work level but even on a personal level. And so that has been quite refreshing. Nebraska nice, you know? (Laughter) I got it now. I got it. [CONFIRMATION]

SENATOR CAMPBELL: Most days. We'll probably...I'm going to go this way and then come back. Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: I had a quick question. On a one-month assessment, on information technology, on a scale of one to ten, do you have an initial number? [CONFIRMATION]

COURTNEY PHILLIPS: I won't give the number. [CONFIRMATION]

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SENATOR RIEPE: Okay. [CONFIRMATION]

COURTNEY PHILLIPS: I will say I think we have some work to do. I'm looking forward with working with our initial IT director as well as the CIO division to see what improvements we can make. But I definitely think we have some improvements to make. You all know MIS will be a big project, but even outside of that, our smaller projects and some of our smaller systems that have been operating for years that don't talk to one another is where we're really going to have to look at where we are. I mean, and you see this across states. We build a lot of homegrown systems that lack interfaces with some of the larger systems in order to collect that information and to produce some of those federal requirements that we need to have. So we have work to do. [CONFIRMATION]

SENATOR RIEPE: Okay. Thank you. [CONFIRMATION]

COURTNEY PHILLIPS: You're welcome. [CONFIRMATION]

SENATOR CAMPBELL: Some of my fears in the past couple of years have been that budget cuts have come to that department over and over again and that it's sort of like a piece, you know, a person is now gone here and here and here. And you can only take so many pieces out in which it really begins to affect. And so, any thoughts in terms of how you look at the work force and how you find the work force as you're talking to them? [CONFIRMATION]

COURTNEY PHILLIPS: Yeah. Yeah, so as I stated in some of my earlier comments, I believe in what we do. I love it. I never thought I would be in state government for this long. But when I got into it, I truly love it. I love working with our team. And I find that here in Nebraska as well, that you have a committed team in terms of what they do. People don't come into state government just because they can't get another job. We come into it...we might come into it because it's the opportunity that we have, but we stay because we love it and we believe in it and we're committed to working. And so that's something that you have to get across to those who have never worked in state government or who are fresh out of college. You have to...people are excited about what you show them. And if we're not out there showing them (1) who we are, what we do, and what we believe in, a lot of times we can't compete with the private sector in terms of salaries, but we have something a little bit different. We have a family atmosphere in terms of state government in our operations. And that's what I want to show individuals, that this is the best place to be and no outside interference with the other agencies. But I truly do feel that we have the best organization to work with within state government. We have a breadth of information and activities that individuals could do. I don't know anyone graduating out of any degree that couldn't work for our organization based on the breadth of...which is within DHHS. And so it's about us getting out there and advertising what we do. Other entities in private sector

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or nonprofits, they advertise who they are. You know, you see billboards, you say this is the number one place to work. We don't do that. We have to sell ourself. And it's really presented in terms of how you feel about your organization. And so we have some work to do in terms of internally, in terms of our employee morale, what they feel about their work. They do important stuff. They do very important stuff for very important people in our communities. And we have to let them know how much it's appreciative, how much it means, and that it's not a job that everybody could do. And so I think that's part of my responsibility and our team's responsibility, as well as you all, is to help us do that. I mean, when I met with Senator Riepe, one of the things I talked to him about is in terms of recruitment for the Beatrice facility and in terms of, what does that really look like in terms of working with those community organizations, working with the high schools, getting them involved and letting them know, this is who we are, this is what we do? Is there a program that we can set up for those seniors who have a half day of coursework and can do employment for the other half of the day? You know, what are some of those options that people could really do? People just don't know we're out there. And until they know who we are, what we're looking for, and what we're about...you don't know what you don't know. And so that's my take on it. [CONFIRMATION]

SENATOR CAMPBELL: I think it will be interesting for the committee, your analysis after a period of time of being here in terms of what holes there might be in the work force that need to be filled particularly. And I think we will follow the BSDC situation. We are following...some of the senators are following Bridges in Hastings. And in both of those situations, we've had some--and I think I relate to you--you know, we've had some concerns about overtime and worker burnout and that kind of thing. And so I don't need your answer today, but I think at some point, that's going to be a good discussion between you and the Health Committee as to, what do you need from a work force perspective to make sure, because at BSDC, that was the flag, was the overtime, constant overtime, that then began to erode that work force. [CONFIRMATION]

COURTNEY PHILLIPS: And I think part of what, you know, when I talk about succession planning...and you're right, you remove a couple of people here or there whether it be because they left for another employment opportunity, they retired...when people retire, they take a bit of knowledge with them when we don't have proper succession planning. And I think that's probably a lot of what you will see in terms of reporting, financial reporting, those sorts of things, that we need to get a handle on in the department and making sure that if such and such leaves, you know, we're not at a loss in terms of, what did this really look like? What are the requirements that we're supposed to submit? So that's a major piece that we definitely have to work on that I see as of today that we need work on. In terms of the overtime, I think we need to be very careful and deliberate of how we look and analyze that because, you're right, there's overtime that can be classified into a couple of different categories when we look at the numbers. And so we need to be able to demonstrate in terms of the data what is requested overtime, because a lot of families request overtime for just their daily living and to make sure they have

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enough funds to support their family. So I never want to make sure that we reduce overtime to a point that it affects those families and their livelihoods. So that's one piece that we need to carve out in terms of, what's the requested overtime? Now, in terms of mandatory overtime, we have to look at, why is that...or what is that a result of? If is a result of...because of vacancies and our lack of being able to recruit and retain? And why can't we recruit and retain? Where are we losing our individuals to once we do train them up? Is it because of FMLA issues and employee injuries? And if so, why are our employees getting these injuries? Are they occurring at work? And if so, do we not have the proper equipment in place to help our employees when they're doing moves of these individuals? So there's a couple of things that we have to dive into in terms of the overtime issue. But, yes, that is one of the areas we will be looking at.

[CONFIRMATION]

SENATOR CAMPBELL: And I very much appreciate your background and experience in behavioral health because...I made a comment on the floor yesterday and Senator Kolterman was our stand-up person in terms of talking how important behavioral health is, but it is a growing issue. And now that issue, it seems to me, is also bubbling up to us from the education system.

[CONFIRMATION]

COURTNEY PHILLIPS: Yeah. [CONFIRMATION]

SENATOR CAMPBELL: Kids in schools and what they're facing, what the teachers are facing and families are...so your expertise there will be helpful for us, very helpful, because that's an area that I think we have...we are not up to speed. [CONFIRMATION]

COURTNEY PHILLIPS: No, and I will say, it's not Nebraska. It's overall as a nation. We are behind in behavioral health. For so long, we've invested in physical health and now we're playing catch up in terms of behavioral health. One, we have the stigma issue but two, in terms of the continuum of care of services, we're just not there yet as a nation. We're not. And Nebraska, we have some work to do as well. And so we typically would have a had a very low-level service and a very high-level service across our states. And so now it's building up a continuum. That is going to be a lot of work in terms of building out that continuum, making sure we have provider capacity and the appropriate level of services. I am going to need you all to help do that to get the providers at the table, to show commitment in terms of where we go with behavioral health and building out that continuum. But that's where it is. [CONFIRMATION]

SENATOR CAMPBELL: Yeah. Thank you very much. Senator Crawford, you had a question?  
[CONFIRMATION]



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SENATOR CRAWFORD: I was just going to comment...and actually, you've addressed the overtime issue a bit. I was going to ask if you'd had discussions with Director Hilgert about overtime issues that we're having in the Veterans' Homes as well. So that's another key area where we have serious work force issues. So I appreciate your attention to overtime and in many ways you have answered that question, but I just wanted to ask, you know, if you...what your plans were or commitment was to addressing those overtime kinds of issues that are affecting the work force there. [CONFIRMATION]

COURTNEY PHILLIPS: Yes, and I actually met at Grand Island yesterday with all the administrators. And we're...it's going to be different for different facilities. It just depends where you're located, what your work force pool looks like, what are some things that you can do? You know, some of it is in terms of changing schedules in terms of shifting 8-hour schedules to 12-hour schedules. It's about finding out, what's the root of causing the overtime? And once you know what the root is, then you can put in measures to go ahead and try to combat that. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any last questions? I have one last question but I didn't want to preclude. The last question, probably, is, give us some idea of how you would like to relate with us. We get a lot of questions from colleagues because they have a constituent, they don't know what to do. How would you like to see that communication flow and the relationship and what can we do as a committee? It's a follow up, sort of, on Senator Riepe's question. [CONFIRMATION]

COURTNEY PHILLIPS: Yeah, so for me--and I have mentioned this to a couple of you guys, but for all of you--as you all get questions, concerns, complaints, let us know immediately to myself or to Bryson who oversees our legislative area, as soon as you get it. It may be one question that's...or complaint that's affecting your area, or it could be widespread that we just don't know about it. Sometimes, when they're calling a local office, it may not already...it might not get to me. And so if I don't know about it, I can't dig into it and see what's really going on. And so as you get questions, concerns, complaints, let me know and we will do our best to look at it and address it and we will get back to you. [CONFIRMATION]

SENATOR CAMPBELL: And part of that question has to do with--and we're going to talk to Mr. Lynch here in a minute--but if we have a question on Medicaid, would you prefer that we direct that question to you or to Mr. Lynch and "cc" you on those e-mails? [CONFIRMATION]

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COURTNEY PHILLIPS: I would like legislative communications to run through Bryson.  
[CONFIRMATION]

SENATOR CAMPBELL: Okay. [CONFIRMATION]

COURTNEY PHILLIPS: So that way I have a track on everything that's going on in terms of, if you do get information and you need it and you may not get a response then I'm not really sure who it went to, who to track down through. [CONFIRMATION]

SENATOR CAMPBELL: Okay. [CONFIRMATION]

COURTNEY PHILLIPS: But if it's running through Bryson, then I have a complete tracking of anything that anybody has sent whether it's a letter, phone call, when we got back, and Bryson sends me this list in terms of, when did you send it to us and how quick are we getting back? And I have that list to look at if somebody is not responding. And again, it may be something that Bryson says, Calder, Mr. Lynch, reach out to Senator Campbell, please. But at least I have a tracking and visibility in terms of what you're sending and who may or may not be responding to you in a timely manner. [CONFIRMATION]

SENATOR CAMPBELL: Thank you. Senators, any follow-up question to that one? I thought that we ought to establish that right away. Senator Kolterman. [CONFIRMATION]

SENATOR KOLTERMAN: I have a question. I didn't ask but I...early on you talked about recruiting on our campuses and recruiting people to work in the health arena and work for HHS. As we talk about the overtime and the veterans homes and the various organizations, how...do you have a plan in mind on how you will recruit our brightest and our best to keep them here?  
[CONFIRMATION]

COURTNEY PHILLIPS: I don't have a set plan right now, but it really is, once you develop a pipeline...for me...I'll just give you an example of me in terms of where I started in the MPA program, how I ended up at Health and Human Services in...Health and Hospitals in Louisiana. Well, it's a friend of mine worked at DHH and I was in his program and he said, I think you might be a good fit for this management intern. And it was a constant pipeline. It was the same thing as the MPA program at Southern University. It was a pipeline. It's where we wanted to be. It wasn't another organization that I considered and it was a constant pipeline of individuals coming in into the organization. And so, to me, once you establish and people share that this is a good place to work, other recruits want to come there. And so that's what I hope to do.  
[CONFIRMATION]

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SENATOR KOLTERMAN: Okay. Thank you very much. [CONFIRMATION]

COURTNEY PHILLIPS: You're welcome. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any last questions? We'll try to set up, maybe, a regular time in which you have some dialog with the committee. [CONFIRMATION]

COURTNEY PHILLIPS: Yeah. Okay. [CONFIRMATION]

SENATOR CAMPBELL: And as we put together, when we know the list of interim studies, we'll also make sure that we go over that list with you so you have some idea what's come to the Health Committee. [CONFIRMATION]

COURTNEY PHILLIPS: Okay. That would be great. [CONFIRMATION]

SENATOR CAMPBELL: Thank you so much. [CONFIRMATION]

COURTNEY PHILLIPS: Thank each one of you. [CONFIRMATION]

SENATOR CAMPBELL: We appreciate it. I'm sure we're going to see a lot of you. [CONFIRMATION]

COURTNEY PHILLIPS: I'm sure we will see a lot of each other. [CONFIRMATION]

SENATOR CAMPBELL: Thank you. Okay, we'll proceed to Mr. Calder Lynch. [CONFIRMATION]

SENATOR BAKER: Senator Campbell... [CONFIRMATION]

SENATOR CAMPBELL: Oh, I'm sorry, Senator Baker? [CONFIRMATION]

SENATOR BAKER: ...I have to excuse myself, but I've had the opportunity to meet Mr. Lynch, and observing, and I'm very comfortable with you coming in this position, so no disrespect, but I have to be on. [CONFIRMATION]

CALDER LYNCH: No worries. Thank you. [CONFIRMATION]

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SENATOR BAKER: Thanks. [CONFIRMATION]

SENATOR KOLTERMAN: See you at 1:30. [CONFIRMATION]

SENATOR CAMPBELL: Okay. Why don't you just go ahead and introduce yourself. And I know that you have some written remarks for us. [CONFIRMATION]

CALDER LYNCH: (Exhibits 3, 4) I do. Thank you. Good afternoon, Senator Campbell and members of the Health and Human Services Committee. My name is Calder Lynch, C-a-l-d-e-r L-y-n-c-h, and I'm the director of the Division of Medicaid and Long-Term care within the department. I've had the privilege now to serve in this role for just over eight weeks. I appreciate being here before the committee again today on the subject of my confirmation as well as the opportunity I've had to meet with many of you over the past two months. I will begin by sharing a little about my background and then talk about how I believe we can move forward together. I earned a bachelor's degree from Louisiana State University in business administration. At that time, I wasn't quite yet ready to commit to a particular graduate degree so I chose to enter the work force. Since then, I've returned to school and I expect to graduate this August with a Master's of Science in health administration from the University of Alabama-Birmingham through their executive program. I began my tenure with the Louisiana Department of Health and Hospitals shortly after having graduated from LSU. I spent the early part of my time there working in more policy-oriented roles including special assistant to the secretary where I was responsible for researching and developing policy and briefing statements that would shape our internal and external messaging. I later became the policy advisor and then policy director where I had the opportunity to play a leading role in developing and executing on the department and the secretary's policy agenda and business plan as well as leading successful Medicaid reform efforts. In 2013, upon Courtney Phillips' promotion to the deputy secretary position, I took her place as the agency's chief of staff which, as Courtney said, is the chief firefighter in residence. In this role, I served as a senior member of the management team for what was the largest state agency in Louisiana. In addition to directing the activities of the executive office of the secretary and its employees and serving as a primary spokesperson for the department and liaison with key officials and stakeholders, I also continued to lead priority Medicaid reform efforts. My educational and work experiences have proven to be incredibly valuable and have helped me to better understand and appreciate the challenges on the front lines of healthcare for both patients and providers and recipients. Medicaid is an incredibly important program with complex financing mechanisms that require effective management and strong accountability. In just my short time here, I have grown even more excited about the challenges ahead because there are opportunities. We have a team of incredibly dedicated and talented professionals within the division who are eager to tackle those opportunities before us. Our eligibility team is hard at work with our new contractor to build a newer and more modern eligibility and enrollment system. We are continuing to look at how we can best meet our needs through the MMIS

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replacement effort which will include more advanced data analytics and fraud detection capabilities. Our programs team is busy working on the details of the next phase of the managed care contracts which will fully integrate physical and behavioral health services and provide for greater accountability with a larger emphasis on quality. These are just a few of the examples of the exciting opportunities ahead. One of our key priorities, and for me a personal priority, will be to continue to build and improve the relationships and lines of communication with our providers, partners, and stakeholders. The can-do spirit of the people of Nebraska and their willingness to pitch in to help lead successful change is invigorating and it's a resource that we must harness. I'm looking ahead with great excitement and optimism and I'm happy to answer any questions you might have. [CONFIRMATION]

SENATOR CAMPBELL: Thank you very much. And to both of you, welcome to Nebraska. We're glad you're here. Questions, Senators? Ah, we cannot have the Medicaid director here without a whole bunch of questions. (Laughter) All right. Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Yes, thank you. Thank you. I'm very interested...and you're talking about your experience in leading Medicaid reform efforts. Yesterday we were at a briefing talking about how Nebraska does compared to other states. You know, and one of the striking results in that analysis was our underutilization of Medicaid and how we use state dollars for so many things that we probably could be using Medicaid dollars for instead. And on top of that general analysis, we're right now in our budget and we are needing to spend General Fund dollars on services for our youth who are in our Office of Juvenile Services that we had thought we should be able to be spending Medicaid dollars on. So I just wondered if you would speak to that: your reform efforts or the making effective use of Medicaid dollars to really serve state needs. [CONFIRMATION]

CALDER LYNCH: Absolutely. Thank you for the question, Senator Crawford. And I'm familiar with the report that you're referencing. I had a chance to review it yesterday as well, as well as the source data that it was based on. And I think it's a really good indication of some of the opportunities that we have before us. We...there are great opportunities, I think, to leverage Medicaid whenever there are services that are medically appropriate for our eligible recipients that we can manage and pay for. One of the challenges--and I'll speak from some of my experiences in Louisiana at times--has been the ability to truly manage utilization effectively without having an infrastructure in place to be able to track and monitor the providers. Are services being utilized appropriately? Are we authorizing services appropriately? Is there a quality, an accountability oversight of that system? In Louisiana specifically, that led to scaling back a lot of the behavioral health services that had been provided through the Medicaid program because of just huge balloons in cost over the years that really grew to an unsustainable level. In 2012, whenever the state implemented the behavioral partnership in...with Magellan as

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the statewide managing organization, it allowed there to be a framework in place to be able to begin again expanding some of the Medicaid eligible services that we could pay for. I think, as we work, you know, with our managed care program to put those...that infrastructure in place, have the accountability and the quality outcomes that we want to see contractually in place, I think you open up the opportunities to begin to look at, how can we better leverage our Medicaid dollars to provide some of those needed services in a way that's sustainable and that's manageable and that we're getting good outcomes from it. [CONFIRMATION]

SENATOR CRAWFORD: I just have a follow-up. [CONFIRMATION]

SENATOR CAMPBELL: Yes. [CONFIRMATION]

SENATOR CRAWFORD: So in this...in your work right now that you've talked about of our next phase of the managed care contracts, is the...fixing the problem of making sure we can pay for these services for the youth who are in Juvenile Services part of that discussion and part of what you are fixing? [CONFIRMATION]

CALDER LYNCH: I think it will be a part of it. You know, I know that there is legislation currently before the Legislature that would look at expanding additional evidence-based, community-based services for children--behavioral health services, specifically multisystemic therapy and functional family therapy--into the Medicaid state plan...of course, Senator Howard. You know, and there are opportunities like that and looking at, what are some of the new evidence-based practices that are emerging and how we make sure that our Medicaid state plan, our policies, our regulations, and our benefits are keeping check with that and that we're investing in those resources where we believe they're cost effective and where we believe that they're going to produce the outcomes we need. And so I think we look at those side by side. It's about having the infrastructure in place and then making sure that the rules and regulations and benefit package that we design is what we want to have those plans then go out and administer. [CONFIRMATION]

SENATOR CRAWFORD: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Is there something that was in the Louisiana plan that's not in the Nebraska plan that you think ought to be? [CONFIRMATION]

CALDER LYNCH: You know, I don't know if I'm quite ready to make that full analysis yet. I think we are looking...we're going to be kicking off kind of a broader look at all of our both long-term care systems as well as our behavioral health systems and the benefits that we provide

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for. And that's going to require not just me. You know, it's going to need...we're going to need all our providers, our stakeholders, our advocacy organizations, outside experts that have worked in other states to come in and weigh in on that. That's also why one of the...my priorities over the next few weeks and months is to bring in a new medical director for Medicaid to help provide that clinical oversight and clinical expertise to help guide some of that decisionmaking. So let me get back to you on that, because I think there are going to be some opportunities.

[CONFIRMATION]

SENATOR CAMPBELL: And I think that is a good discussion that we can, you know, after a period time come back and have a briefing with you and say, what have you discovered? What do you need to do? How can we help you... [CONFIRMATION]

CALDER LYNCH: Absolutely. [CONFIRMATION]

SENATOR CAMPBELL: ...because it would seem to me that part of the issue with...certainly in behavioral health we struggled when we went through the whole PRTF issue and really where we're at and where should we be going? I'm sure you heard my comments to Director Phillips there in terms of our need in behavioral health. And it ties directly into Medicaid.

[CONFIRMATION]

CALDER LYNCH: Absolutely. And she was right. It's really about building that full continuum of services. And, you know, we can add definitions to the state plan but it's really about making sure that the infrastructure is there. And that includes the provider capacity and expertise to be able to deliver the services. And that's really going to take all of us at the table to work on that.

[CONFIRMATION]

SENATOR CAMPBELL: All right....a time. Senator Riepe. [CONFIRMATION]

SENATOR RIEPE: Thank you, Senator Campbell. Mr. Lynch, you'd mentioned a new Medicaid physician. Is that a new position or is that a replacement and... [CONFIRMATION]

CALDER LYNCH: It's a long-vacant position but it's an existing position that we need to fill.

[CONFIRMATION]

SENATOR RIEPE: Okay. What would be the virtues or the skill set that you would be looking for? [CONFIRMATION]

CALDER LYNCH: First and foremost, a medical degree... [CONFIRMATION]

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SENATOR RIEPE: That's good. [CONFIRMATION]

CALDER LYNCH: ...but more importantly, more importantly, you know, I'm really...so traditionally the medical director for Medicaid program--I mean, Medicaid is a large insurance program--you know, has been someone that can, you know, review cases, make decisions on prior authorizations, you know, make authorizations for, you know, major services that need reviewing, do, you know, peer consults with other physicians about cases. As we have moved more, and many states have moved more toward managed care, it's really shifted the role of that job. And what I'd like to see is somebody that can lead our quality agenda, that can bring the medical directors of our health plans to the table together along with key stakeholders to set forth and say, we really need to coordinate our efforts and decide, what are the areas that we need to make an impact on in Nebraska whether that's birth outcomes, you know, childhood access to medications...you know, we're looking at the rates of psychotropic and ADHD medication usage in children and really seeing, where are the outliers, where do we need to have an impact and where do we need to focus our efforts, and then coordinating performance improvement projects with the health plans and with Medicaid and really tracking and reporting out those results to this committee and to the public. [CONFIRMATION]

SENATOR RIEPE: Sounds like a full-time position. [CONFIRMATION]

CALDER LYNCH: It is. It will be a full-time job, certainly, and somebody that's very committed. [CONFIRMATION]

SENATOR RIEPE: And that somebody...thank you. [CONFIRMATION]

SENATOR CAMPBELL: I'm going to make one comment and then come back to Senator Cook. My colleagues need to know that, for a period of time, we had, like, a part-time person on contract. And we need to be sure to mention this statement on the floor of the Legislature, because Senator Gloor will be overjoyed. He has been on this for a very long time that we did not have a full-time medical director to Medicaid and felt that that hampered the state. So that is very good news. Senator Cook. [CONFIRMATION]

SENATOR COOK: Thank you. And thank you, Mr. Lynch, for coming this afternoon and for taking this on. [CONFIRMATION]

CALDER LYNCH: Thank you. [CONFIRMATION]



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SENATOR COOK: I had a bill proposal several years ago that was also related to providing behavioral health services that were deemed medically necessary by the child's provider. The practice in Nebraska had been for...to compel the parents to make the child a ward of the state so we could pay first dollar. Aspects of that proposal went forward and I guess I want to make more of a statement that my...and I anticipate that the change of that practice, the updating of that practice to at least what Magellan does in other states is part of our conversation moving forward. I think what my bill ended up doing is offering an opportunity for a public hearing for the family to learn about why they were rejected from those behavioral health services and also instead of a number--you were rejected for reason number eight--it has to say...I don't know what reason number eight means to a layperson, so I really want that to be part of our conversation going forward, because the idea that you'd have to, first of all, turn your child over to become a ward of the state in order to get her or him the behavioral health services and then that we're paying first dollar for it seems ridiculous to me. So thank you. [CONFIRMATION]

CALDER LYNCH: Thank you. And we'll certainly have many conversations, I'm sure, about that. [CONFIRMATION]

SENATOR COOK: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Kolterman. [CONFIRMATION]

SENATOR KOLTERMAN: Thank you, Senator Campbell. Mr. Lynch, my question deals with the improvements in dental care under Medicaid. We had the dentists in here concerned about the RAC audits that were taking place in the last year. I got a e-mail from one of my local dentists a couple weeks ago indicating that he was the last dentist in Seward County to offer benefits to Medicaid patients and he's now not going to do that. So to my knowledge, we don't have any benefits. We're going to hear a bill this afternoon where we maybe will help a dental college in Omaha with some funding. What are we doing in that arena, because that also plays into benefits that we need to provide to these young children and actually Medicaid patients as a whole. What are we doing to improve that? [CONFIRMATION]

CALDER LYNCH: Thank you, Senator Kolterman, for asking that question. The first thing I'd like to ask is if you either have that dentist's contact information that you could share with me or mine with him, I'd love the opportunity to be able to speak to him and express my appreciation for, you know, his service to the state by serving the Medicaid population, to see if there's some way we can continue that access point. There's actually been a lot of work around this issue just in the last few weeks and months. And I had the opportunity last week to speak to the Nebraska Dental Association House of Delegates in La Vista and had a great conversation with them about where we are with the RAC audit as well as with managed care. First, just to give the committee

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a little background, although I'm sure you've probably heard this from dentists in your community, the department implemented a RAC audit program as--it was mandatory under the Affordable Care Act that we do so--contracted with HMS to provide that audit function. Well, the first RAC audit that we performed was on dental services specifically looking at compliance with the periodicity table for prophylaxis services. Under Nebraska Medicaid regulations, children receive prophylaxis services every six months or as necessary as documented and determined by the dentist. The standard for adults is one year. So they were looking at billings that were outside of that time frame and then going back to recoup, you know, if there were excessive number of services. When we went back and took a second look based on the, sort of, volume of concerns and appeals that we were receiving, we have determined that there was an error for the adults that...where they were looking at the calendar year rather than the fiscal year as they should have been. And so that actually allowed us to eliminate the findings against over 1,000 claims. So we were able to reverse that and continue with either repayment or ending any appeal action against those. For the children, we...because this was the first time we conducted one of these audits, we decided to use our discretion to allow for a reasonable and limited exception to the regulations. So if they were within one month of that six-month window, we would go ahead and allow it. So of the 13,000 claim lines...about 13,000 claim lines that we originally found to be out of compliance, about half had later been validated through documentation submitted by the dentists and another third, about 3,000, are going to be dismissed based on that one-month window that we're allowing. So that will eliminate, you know, 75 percent of the claims against the children's services. But more importantly, I think we've got to have a more collaborative relationship with our providers. We've got to be able to explain why we're doing, you know, the...what we're doing and have that two-way communication and make sure that our expectations and our benefits guides and our policies are clear, that they understand, you know, when they have to provide documentation, what that process looks like, what that means, and what's allowable so that they're not in a position of having claims recouped. And I think we're going to have a...I think we have a positive working relationship with them now. I think we're going to continue to engage them on a regular basis. On the managed care front, we decided to delay implementation of managed dental services while we continue to make improvements in the program and make sure that we're bringing them into the best model of dental managed care that we can. So I mean, I think there's a good foundation now that we can work from with those dental providers. [CONFIRMATION]

SENATOR KOLTERMAN: Thank you. [CONFIRMATION]

CALDER LYNCH: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Senator Howard. [CONFIRMATION]

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SENATOR HOWARD: Thank you, Senator Campbell. We have moved into managed care for behavioral health and primary care and we've been putting off moving into managed care for long-term care. Can you speak to that? [CONFIRMATION]

CALDER LYNCH: Absolutely. [CONFIRMATION]

SENATOR HOWARD: Did Louisiana move into that or... [CONFIRMATION]

CALDER LYNCH: It's...so, yeah, I actually worked on the early stages of what we called managed long-term supports and services, or MLTSS, in Louisiana. You know, it is a longer process than what the physical health managed care looks like because we have a...it's a much more vulnerable population, as you know. And you've really got to make sure that you have very deliberate planning in place to make sure that there are not interruptions in care for those individuals. There were plans...there are plans in that had been worked on in Nebraska the last few years to move toward a managed long-term supports and services system. We are pulling that...those planning documents back off the shelf and taking another look at them and seeing what's the right step forward. I will tell you that, after reviewing our programs, our benefits, and our waivers, I think we have some preliminary work we need to do before moving into MLTSS. So what you'll see happen in...over the next...or the summer is us reengaging with those providers that had previously worked on the MLTSS efforts at...providers and advocates and other stakeholders that are interested in this. And let's take a step back and take a broader look at our long-term care system and how we need to potentially redesign our benefits packages, our waivers, our state plan services to eliminate, you know, duplicative services, to make sure there's stronger quality accountability in place specifically looking at some of the in-home services and making sure that that continuum of care exists where individuals are having their care managed, are getting the services they need in the right place at the right time before we hand it over to the managed care organizations to begin managing it. We have some work we have to do on our end with our regulations, with our waivers, before we take that step. But that will be a multiyear process and it's something I'm excited about and I look forward to working with this body on because I think there's a lot of opportunity there to improve the quality of the services we're delivering and make sure that we are more...have a more sustainable program going forward. [CONFIRMATION]

SENATOR CAMPBELL: Senator Kolterman. [CONFIRMATION]

SENATOR KOLTERMAN: Thank you, Senator Campbell. One last question on Medicaid and Medicaid spend downs. Who in your office works with the Medicaid spend down and qualifies people and understands the eligibility and how much money is wasted in that arena? [CONFIRMATION]

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CALDER LYNCH: So, we have eligibility staff within the eligibility division that...you know, every staffer should typically cross train against different types of eligibility. But there are individuals who have specialized knowledge on the spend down program. And so they are the ones that typically would be assigned to someone or assist them with the necessary paperwork and process to qualify them for Medicaid eligibility. And I'm happy to kind of follow up in more detail if there's a specific case you're looking at. But, you know, that...it's a program that we...that is very complicated and requires, as Director Phillips said, you know, a lot of specialized knowledge around. And that's why I have a lot of respect for eligibility workers because, like she said, even with a cheat sheet, I'm not sure I could make it fully through that process. But there are people that do know it very well. [CONFIRMATION]

SENATOR KOLTERMAN: Let me give you a scenario... [CONFIRMATION]

CALDER LYNCH: Okay. [CONFIRMATION]

SENATOR KOLTERMAN: ...that's been a concern of mine for several years: I'm in the insurance business. And people will come into my office and they're trying to qualify themselves for Medicaid. And they're told by their case worker, well, I've got to spend \$700 a month on some sort of an insurance product so I can qualify for Medicaid. And so what happens is, all over the state, agents are selling them policies that are worthless but it qualifies them for Medicaid. Now, why couldn't...I'm just asking, isn't there a way we could recoup that \$700 a month and use that towards premium payments or use that towards something that is going to benefit the state and going to benefit the consumer? [CONFIRMATION]

CALDER LYNCH: Well, I'd have to research that, yeah. [CONFIRMATION]

SENATOR KOLTERMAN: And that's just...that's been a concern of mine for...and I make money doing it legally. (Laughter) I feel like I'm sinning when I take those policies. But it's ridiculous. It's a waste of money for both the consumer, it puts the state in a bad light, and there's got to be a fix to that, and I'm just... [CONFIRMATION]

CALDER LYNCH: You know, we're sometimes challenged by our own complicated regulations and certainly very complicated federal regulations that have been pieced together over many decades of policy changes and policymakers at the federal and state level. And that's why sometimes it's important for us to go take back and, you know, ask why. Why is this...that's something I've got written in big block letters on a whiteboard in my office is, ask why. You know, why is this policy in place? Where did it come from? Why? You know, what was the reasoning behind it in the first place? Is that even still relevant today? So if you'd like, I'd love to

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follow up on that and take a look specifically at that and get back to you, because I'm sure there's a why. [CONFIRMATION]

SENATOR KOLTERMAN: I would love to visit with you. I'd be cutting my own throat. (Laughter) My wife won't like this. [CONFIRMATION]

CALDER LYNCH: I'm sure there's a why, yes, sir. [CONFIRMATION]

SENATOR KOLTERMAN: But at the same time, we have to look what's best for the state and the consumer. [CONFIRMATION]

CALDER LYNCH: Absolutely. [CONFIRMATION]

SENATOR CAMPBELL: I do want to compliment, though, that we have reached out to the Medicaid Division when we've had a question like that of a constituent. And what the staff was able to come back and say, they don't have to buy this policy and this is what needs to be done. And they have really helped people understand that. People make assumptions about what they think Medicaid says, but I'm sorry that you're going to lose those people, but staff in the division... [CONFIRMATION]

SENATOR KOLTERMAN: I...hey, I'm promoting that idea. (Laughter) [CONFIRMATION]

SENATOR CAMPBELL: ...I...really, they were extremely helpful. And this...we'd been try to help this constituent for a period a time and I really complimented them. [CONFIRMATION]

CALDER LYNCH: That's a great point. [CONFIRMATION]

SENATOR KOLTERMAN: Senator, you don't have to worry about me. [CONFIRMATION]

SENATOR CAMPBELL: Okay. [CONFIRMATION]

SENATOR KOLTERMAN: I'll make it back somewhere. [CONFIRMATION]

SENATOR CAMPBELL: Senator Riepe. [CONFIRMATION]

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SENATOR RIEPE: Senator Campbell, thank you. The fact that Senator Kolterman has a billboard on in his district that says, buy insurance from me... [CONFIRMATION]

SENATOR KOLTERMAN: Spend downs here... (Laughter) [CONFIRMATION]

SENATOR RIEPE: "Spend Down" Senator Kolterman. In the budget that is in front of us now, there...I believe there's a 2 percent increase for Medicaid providers. And I think that in the...your dentist that you cited is someone that says, well, that's still...or that may still be insufficient. I'm a subscriber to Miss Piggy of the Muppets who always said, too much is never enough. And so my interest would be...is where do we, as Nebraska, stand in relationship to other states both for...and I'm a recovering hospital administrator but I'm not there for...I'm recovering, okay? So, you know, where are we in terms of reimbursement both at the nursing home, at the hospital, and at the provider levels? And I don't...this may be more of a statement than it's a question: I don't think that we need to be the...among the best payers in the country. I'm a tightwad, so... [CONFIRMATION]

CALDER LYNCH: It's going to...you know, it really does depend, Senator, on the service and on the provider type. I know that the providers are certainly very appreciative of the Legislature's continued investment and increases in those rates. We have not conducted an across-the-board, really, analysis of our rates as compared to other states. You know, we look at it individually sometimes. I can tell you nursing homes are probably in the midpoint of the state rates. But, you know, sometimes it's not fully comparable. Dental services, I think, are lower than what some states are at. But, you know, we haven't...and that probably is something we need to do at some point is kind of be able to at least provide the Legislature with better information as you look at the budget, as we look at the budget, about where those investments need to occur. I will say I think that is sometimes one of the advantages of the capitated environment with the managed care plans is that while you want to make sure that the--and we've had this conversation with senators--the increases that you're building into the budget are passed through to providers, they have the flexibility that we do not to target rate increases to potential...specific provider types or service lines that might be below market rates where they're not able to recruit the necessary providers in to meet the access standards that we require of them or to even vary it regionally. As we know, the cost and access vary across regions in the state. And so they're able to have a little bit more flexibility than we have in targeting some of those rate levels. But, you know, I'd be happy to have further conversations in looking at specific rate types by provider type and how we compare to other states if that would be useful. [CONFIRMATION]

SENATOR RIEPE: I just think at times it would be helpful to be able to say, dear dentist, be glad you don't live in Missouri or, you know, I mean, some idea as to where we're at in relationship to the rest of the country. [CONFIRMATION]

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CALDER LYNCH: Sure. Sure. Sure, we can work on that for you. [CONFIRMATION]

SENATOR RIEPE: Thank you very much. Thank you, Senator. [CONFIRMATION]

SENATOR CAMPBELL: Other questions? Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: So in addition to doing all this work, you're also trying to finish your master's degree. So what is your thesis or project, capstone project? [CONFIRMATION]

CALDER LYNCH: Actually, there is no thesis in the program... [CONFIRMATION]

SENATOR CRAWFORD: Okay. [CONFIRMATION]

CALDER LYNCH: ...no thesis in the program. It's a health administration master's degree. And UAB is actually...is a great program, recognized well in the south for, you know, their focus on that. It's a great format for me because I only have to go three times a year to Birmingham. In fact, I'm going to be out May 8 through the next week. So that's my last time having to go back to Birmingham and then I'll wrap up in August with this semester's coursework. So I'm excited. It's been a really great learning experience for me particularly from my fellow classmates which include hospital CEO, managed care executive, so we're really able to learn from each other as much as the coursework. [CONFIRMATION]

SENATOR CRAWFORD: Excellent. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any last questions, Senator? Thank you, Mr. Lynch, very much for being here today. [CONFIRMATION]

CALDER LYNCH: Thank you, Senator and committee. I... [CONFIRMATION]

SENATOR CAMPBELL: Any last comment you want to make? [CONFIRMATION]

CALDER LYNCH: Just, please, reach out to me. You know, of course, as Courtney said, you know, constituent issues, Bryson can help coordinate those. But if anything is not being resolved in a timely manner or you just have question about a policy or an idea you'd like to share with me, I believe during my last time here I provided everybody with a business card with my cell phone number. If you don't have it, let me know, I'll get it to you. I invite you, please, give me a

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call any time. I'm happy to make sure that we're being responsive and give you any assistance that you need. [CONFIRMATION]

SENATOR CAMPBELL: Thank you very much. [CONFIRMATION]

CALDER LYNCH: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: For the committee, we will meet tomorrow morning. And, Brennen, do we have that set up yet? [CONFIRMATION]

BRENNEN MILLER: It will be around 9:45. Patrick will read an announcement on the floor saying exactly when, probably under the balcony. [CONFIRMATION]

SENATOR CAMPBELL: Right. And the only piece of business will be the four confirmations, the hearings that we've had. So we will meet at that. And so kind of think of...keep that in your...the back of your mind. Otherwise, unless any of the senators have a comment, we are adjourned. [CONFIRMATION]