



CENTER *for*  
RURAL AFFAIRS  
Lyons, NE 68038      Population 851

**TESTIMONY OF THE CENTER FOR RURAL AFFAIRS**

**IN SUPPORT OF LB 472**

**HEALTH AND HUMAN SERVICES COMMITTEE**

**FEBRUARY 25, 2015**

Members of the Revenue Committee, my name is Jon Bailey, Director of the Rural Public Policy Program at the Center for Rural Affairs in Lyons, Nebraska, and today we provide you testimony in support of LB 472.

The Center for Rural Affairs supports LB 472, the Medicaid Redesign Act, for all of the supportive reasons you are hearing today and the for the reasons we supported LB 887 in 2014 and LB 577 in 2013. We support providing health insurance to thousands of low-income working Nebraskans who are unable to obtain traditional Medicaid, who do not have access to employer-sponsored private insurance, and who are unable to afford insurance plans on the health insurance marketplace, and thus fall into a coverage gap not of their making.

We support making Nebraska yet another state that receives the benefits of a redesigned Medicaid program, both financially and through better health of its citizens. Nebraska is losing over \$930,000 every day by failing to provide health coverage to its low-income, working citizens and the federal funding that will provide it. Since January 1, 2014, Nebraska has lost a total of nearly \$390 million (see the counter at <http://www.cfra.org/news/141103/medicaid-expansion-bring-our-tax-dollars-home>). Meanwhile the health of our fellow citizens becomes worse and more at risk.

Today we come in support of LB 472 for another reason. Today in conjunction with Nebraska Appleseed we release *LB 472 and Leveraging Federal Dollars to Reform Corrections*, a report showing the benefits of a redesigned Medicaid program to our corrections program, our corrections population and the state's taxpayers. A copy of our report is attached to my testimony.

Based on Nebraska corrections data, findings from other states, and findings from research on the connections between Medicaid and health insurance coverage, necessary treatments, and criminal justice system outcomes, our report shows:

- A lack of mental health services and substance abuse treatment is a primary cause of reoffending and recidivism and a return to jail or prison.
- A redesigned Nebraska Medicaid program such as proposed in LB 472 would help keep nearly 400 people from returning to prison in one year.
- A redesigned Nebraska Medicaid program such as proposed in LB 472 would result in gross savings to the state's correctional budget of nearly \$11 million in one year.
- A redesigned Nebraska Medicaid program could save additional state and county dollars that have already been invested or will be invested in corrections reform.

Nebraska clearly has issues in its corrections programs that affect the state's taxpayers and public safety. Just as clear is the connection between mental health and substance abuse treatment and criminal offenses and recidivism. Examples from initiatives in other states and long-term research show that this connection can be addressed through mental health and substance abuse treatment to low-income people where needed and to offenders released from the corrections population or on parole or probation.

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Nebraska has recognized this connection by developing initiatives and providing funding for community-based initiatives, and considering other initiatives, that would provide the necessary treatments that reduce both initial criminal offenses and recidivism. Yet Nebraska has a large gap in this process. Nebraska has not provided a health insurance path for low-income people in the corrections population to obtain these necessary treatments. LB 472 provides a means to fill that gap.

Research clearly shows recidivism can come from a lack of health coverage. There is a consensus among national and Nebraska research and analysis that mental health and substance abuse treatment are what many in the corrections population need. Examples from national research and from other states clearly show linking people to coverage and necessary treatments work in reducing criminal offenses and recidivism. Since traditional Medicaid is unavailable to most of the correctional population and private health insurance is unavailable, Nebraska needs LB 472 to make these necessary connections. The Nebraska taxpayer and public safety, as well as those in the corrections population, will be the beneficiaries.

For these and all the other reasons offered, we support LB 472 and ask the committee to advance it to the full Legislature.