

# Nebraska State Legislature

SENATOR MEGAN HUNT

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## COMMITTEES

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July 19, 2020

Charlie Janssen  
Nebraska Auditor of Public Accounts  
Nebraska State Capitol Building  
Suite 2303  
PO Box 98917  
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State Auditor Janssen:

In March of 2020, the Legislature appropriated millions of dollars to the Governor to address the coronavirus disease (COVID-19) pandemic and its impact on the State. In an unprecedented act of unanimity and nonpartisanship, the Legislature appropriated the money as requested by the Governor without condition or demand.

Subsequent to the Legislature appropriating this money, the State entered into a “no-bid” contract with several private tech companies, led by Nomi Health. The companies, operating under the name “Test Nebraska”, constituted a number of out of state companies with little prior experience in mass testing, contact tracing, or pandemic treatment. Our taxpayers awarded Test Nebraska over \$27 million for testing people throughout Nebraska for COVID-19 testing across the state. At the time of contracting with the State, Test Nebraska and Nomi Health represented they would be able to test at least 3000 individuals per day, and it promised 540,000 total tests for the state.<sup>1</sup>

Despite this assurance, the number of tests were slow to reach the stated goal of 3000 per day.<sup>2</sup> Throughout most of May 2020, the number of tests administered were far short of the 3000 per day assured by Test Nebraska officials. The testing rate by Test Nebraska has not improved. For the month of June 2020, the average daily test rate has been 1200, considerably less than half the stated goal of 3000 daily tests.<sup>3</sup>

1

[https://www.kmaland.com/news/nebraska-announces-coronavirus-testing-program/article\\_71da45a6-840c-11ea-919c-2b925e862e0a.html](https://www.kmaland.com/news/nebraska-announces-coronavirus-testing-program/article_71da45a6-840c-11ea-919c-2b925e862e0a.html)

2

[https://omaha.com/news/state\\_and\\_regional/ricketts-very-pleased-with-testnebraska-despite-not-meeting-test-goals/article\\_aab018ec-ae66-57f8-9806-f565a02b40d5.html](https://omaha.com/news/state_and_regional/ricketts-very-pleased-with-testnebraska-despite-not-meeting-test-goals/article_aab018ec-ae66-57f8-9806-f565a02b40d5.html)

<sup>3</sup> <http://netnebraska.org/article/news/1226831/test-nebraska-report-shows-average-1200-daily-covid-19-tests-june>

In addition to a deficiency in the number of tests administered in Nebraska, many have questioned the reliability of and accuracy of the testing of Test Nebraska. In early May 2020, some professionals expressed concern that Test Nebraska's comparatively lower positivity rate indicated that some individuals were informed they were negative for COVID-19, when they could in fact have been positive but were misdiagnosed or not tested properly.<sup>4</sup> Related to the claims of accuracy, in mid-June of 2020 a number of investors sued one of the Test Nebraska companies (Co-Diagnostics) in Utah federal court alleging that executives had misrepresented their Logix COVID-19 test as being "100% accurate" and that company directors, officers and scientists "made continual, knowing and willful misstatements" about their COVID-19 test to inflate the Co-Diagnostics' stock price.<sup>5</sup>

I appreciate that we are in an unprecedented time in our state with respect to responding to the COVID-19 pandemic. But in our current budget situation, a \$27 million award with barely any debate and no competitive bidding needs to be looked at closely. In short, I want to know whether Nebraskans are getting their money's worth and whether the millions we are paying these companies are actually going to testing Nebraskans for COVID-19.

Included in the authority of the Nebraska Auditor of Public Accounts is the power to conduct investigations of reports of alleged government waste, fraud, and mismanagement, along with the duty to report to the Legislature any potential problems relating to the effectiveness, efficiency, or performance of State programs. Accordingly, I request that you perform a financial audit and investigation of the operation of Test Nebraska in order to insure that the state moneys we are giving to Test Nebraska is being properly and judiciously spent. In addition to the standard auditing process which your office routinely employs following current Government Auditing Standards, I urge you to consider these areas of focus in any review or audit which you perform of Test Nebraska:

Is the quantity, or rate, of testing sufficient to justify our state spending this kind of money to Test Nebraska?

What is the actual rate of accuracy of the testing of Test Nebraska?

Is the quality, or accuracy, of the testing similar to or consistent with other testing being done in Nebraska by area hospitals or clinics?

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<sup>4</sup> e

[https://journalstar.com/lifestyles/health-med-fit/health/utah-doctors-question-accuracy-of-coronavirus-tests-provided-by-test-nebraska-partners/article\\_dd4b2115-c1b6-5893-8f43-b6dec2a747f9.html](https://journalstar.com/lifestyles/health-med-fit/health/utah-doctors-question-accuracy-of-coronavirus-tests-provided-by-test-nebraska-partners/article_dd4b2115-c1b6-5893-8f43-b6dec2a747f9.html)

<sup>5</sup>

[https://omaha.com/livewellnebraska/investors-sue-company-that-provides-covid-19-tests-for-testnebraska/article\\_e3d83dd3-b5be-5f13-a9dd-ca08f11f8f36.html](https://omaha.com/livewellnebraska/investors-sue-company-that-provides-covid-19-tests-for-testnebraska/article_e3d83dd3-b5be-5f13-a9dd-ca08f11f8f36.html)

What is the disbursement ratio for state expenditures relating to salaries of Test Nebraska staff versus expenditures relating to testing, such as equipment, materials, or other items?

Of the expenditures relating to staff, what is the proportion of staff salaries for those actually doing the testing and analysis versus staff who are in administrative management, marketing, or in some similar executive position?

How many employees are dedicated to working in Nebraska Test Nebraska?

Are there physical facilities or offices in Nebraska related to Test Nebraska? If so, what is the nature of these facilities?

What other companies or entities were evaluated for providing any of the services that Test Nebraska provides?

What measures or efforts were taken to protect Nebraskans' private health information that is collected by Test Nebraska?

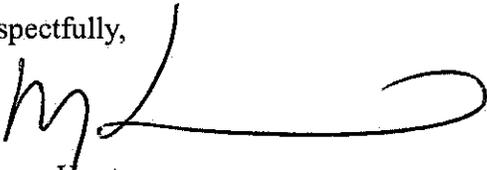
What measures or efforts were taken to ensure Test Nebraska cannot utilize Nebraskans' health information for profit, or to sell or distribute collected information to other entities? What provisions exist to limit the use of collected information to only the designated purposes of testing by Test Nebraska? What restrictions have been implemented regarding the use of collected information for other public or private uses?

What accountability measures have been implemented with respect to "stop payment" effort or termination of contract(s) for non-compliance with the terms of the contract(s)?

Please obtain full and complete accounting of taxpayer funds and expenditures to date and any and all discrepancies from the approved budget or approved description.

Feel free to contact me with any questions. Thank you for your service to Nebraskans and this State.

Respectfully,

A handwritten signature in black ink, appearing to read 'M Hunt', with a long horizontal flourish extending to the right.

Megan Hunt  
Nebraska State Senator, District 8