

Opening Statement of the Honorable Joseph R. Pitts
Subcommittee on Health
Hearing on “Medicaid at 50: Strengthening and Sustaining the Program”
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(As Prepared for Delivery)

At the end of this month, Medicaid will turn 50-years old. It was created as a joint-federal state program to provide health care coverage to certain categories of low-income Americans.

But today, Medicaid is now the largest health insurance program in the world. Now more than 70 million Americans are covered by Medicaid – which is more than are covered by Medicare.

No doubt, Medicaid is a critical lifeline for some of our nation’s most vulnerable patients. Medicaid provides health care for children, pregnant mothers, the elderly, the blind, and the disabled. It is safe to say that every Member of this Committee wants to see a strong safety net program that protects the most vulnerable – regardless of how they feel about its recent expansion.

But as we all know, the current trajectory of Medicaid spending is problematic. In the next decade, program outlays are set to double. That means that in a decade, Medicaid is going to cost federal taxpayers what Medicare costs today – and that’s not even counting the fact that the Medicaid program is already the fastest growing spending item in most state budgets.

So, without Congressional intervention, Medicaid will continue to consume a larger and larger portion of federal and state spending. This is not ideology, this is arithmetic. According to CBO data, by 2030, the entire federal budget will be consumed with spending on mandatory entitlements and service on the debt.

This is not only a budgetary problem – though such levels of spending would crowd out funding for other important federal and state policy priorities. This is also not only a fiscal problem – though CBO has warned that running up our national credit card could trigger another financial crisis. Perhaps most importantly, this spending trajectory threatens the quality and access of care for the millions of vulnerable patients who depend on Medicaid.

But reaching the breaking point is entirely preventable. Policy-making is about setting priorities and making choices.

That’s why I and many of my colleagues were dismayed by some of what we learned at a recent Health Subcommittee hearing regarding some of the projects funded through waivers. With budgets growing, is it too radical to suggest we simply prioritize needed medical care, over lower-priority projects?

Since 2003, Medicaid has been designated a high-risk program by the GAO because of its size, growth, diversity of programs, and concerns about gaps in fiscal oversight. More than a decade later, these issues are amplified by recent changes to the program. Our aging population will also increase demands on the program.

But today, federal oversight of the program is more imperative than ever. Each Administration has a responsibility, with Congress, to ensure that taxpayer dollars used for Medicaid are spent in a manner that helps our neediest citizens.

Thus, I am pleased that we have a distinguished panel of witnesses today to help inform us on the challenges facing Medicaid in the coming decade. I am especially pleased that CMS, who was unable to join us for our recent hearing, is here today, along with GAO and MACPAC.

In order to preserve and strengthen this vital safety net program for the most vulnerable, I believe that Congress will be increasingly forced to take steps to modernize the Medicaid program. So we are eager

to hear our witnesses' recommendations for ideas and any efforts underway to enhance Medicaid program efficiency, reduce program costs, and improve quality.

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