

Opening Statement of the Honorable Joseph R. Pitts
Subcommittee on Health
Hearing on “Strengthening Medicaid Program Integrity and Closing Loopholes”
September 11, 2015

(As Prepared for Delivery)

Today, Medicaid is the world’s largest health coverage program. Medicaid plays a critical role in our health care system, providing access to needed medical services and long-term care for some of our nation’s most vulnerable patients.

The Congressional Budget Office estimates that federal Medicaid expenditures will grow from \$343 billion this year to \$576 billion in 2025. At the same time, state expenditures have grown significantly, today accounting for more than 25% of state spending in FY 2014.

Given the growing portion of the federal budget dedicated to Medicaid – and the fact that roughly one in five Americans may be served by the program in a given year – Congress has a responsibility, even a duty, to ensure that the program is safeguarded against waste, fraud, and abuse.

While there is never a perfect program, the status quo in Medicaid certainly can be improved. The increasing size, complexity, and vulnerability of Medicaid have led the GAO to designate it a “high-risk program” that can too easily be subjected to fraud and abuse.

Both federal and state governments play critical roles in oversight of program integrity efforts. While I believe states are –and should be treated as—full partners in the program, the reality is that Congress has a duty to expect the best from states and take common-sense steps to help prevent fraud, waste, and abuse at systemic level.

After all, protecting the integrity of the Medicaid program is about ensuring the program is not only more accountable and transparent for taxpayers; it is about safeguarding program dollars and encouraging more meaningful access to care for the patients who rely on the program.

That’s why I’m so pleased today to be discussing several bills that will help boost the integrity, oversight, and accountability of the Medicaid program.

First, a bill to be introduced by Dr. Bucshon and some of his colleagues would fix a problem identified by the HHS Inspector General—ensuring that providers terminated in one state don’t improperly bill the system or negatively impact patients in another state.

Second, Representative Brooks and I have introduced H.R. 3444, which would operationalize a proposal in the president’s budget to help reduce Medicaid and CHIP fraud in the territories of the United States.

Next, Representative Bilirakis has introduced H.R. 1570, a bipartisan bill which would bring increased transparency and information to federal expenditures related to Medicaid and CHIP in U.S. territories.

Fourth, Vice Chairman of the Health Subcommittee Brett Guthrie has a bill which would incentivize states to require providers of Medicaid personal care services to have electronic verification systems in place. This common-sense proposal will ensure taxpayers only pay for the services delivered to Medicaid beneficiaries.

Fifth, I have introduced H.R. 2339—a common-sense proposal to give states better options to how lottery winnings are calculated for purposes of Medicaid eligibility. I hope we can all agree that multi-million dollar lottery winners should not be eligible to receive Medicaid –which is precisely the problem in current law that my bill would fix.

Finally, Representative Mullin on the full committee has authored H.R. 1771—a bill which would close a loophole in current law identified by some GAO reporting. This bill would amend the Social Security Act to count portions of income from annuities of a community spouse as income available to institutionalized spouses for purposes of Medicaid eligibility.

It is my hope that through the policies we discuss today, and through future actions by this committee, we can work together on a bipartisan basis to boost Medicaid program integrity, while making the program more sustainable, accountable, and transparent.

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