



COMMITTEE ON
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FOR IMMEDIATE RELEASE
May 2, 2017

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Pallone Statement at Medicaid Oversight Hearing

“We must root out fraud and abuse, but we should not use potential fraud and abuse as an excuse to harm the people these programs are intended to serve.”

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) offered the following remarks at a Subcommittee on Oversight and Investigations Hearing titled, “Combating Waste, Fraud, and Abuse in Medicaid’s Personal Care Services Program.”*

Thank you, Mr. Chairman. This Committee has a longstanding history of examining fraud and abuse in Medicaid. We should continue to find ways to improve these vital programs, including the Personal Care Services (PCS) program. But it is important to keep these issues in context.

Medicaid is a critical program that provides essential health care to more than 74 million Americans—including seniors, children, pregnant women, and people with disabilities.

Now with the expansion of Medicaid under the Affordable Care Act (ACA), more than 12 million people gained health insurance coverage last year. Additional achievements under the ACA have helped improve the quality, accessibility, and affordability of health care for millions of Americans.

We have made historic gains, and we must not roll back this progress by cutting essential health care programs such as Medicaid. The Republican Trumpcare bill, which the Republican leadership is still trying to strong arm members into supporting, drastically cuts and caps the Medicaid program. It rations care for millions in order to give giant tax breaks to the wealthy and corporations. By allowing a state to arbitrarily cap coverage or provide a block grant for certain enrollees, Trumpcare would result in mass rationing of care for seniors in nursing homes, pregnant women and working parents, and people living with disabilities.

Instead, it is imperative that we make every effort to ensure federal and state dollars are spent effectively. While Medicaid is already an incredibly lean program that has among the

lowest improper payment rates of any federal health program, we should always be looking at ways to prevent any fraud, waste, or abuse in any federal program.

The HHS Office of Inspector General has reported on improper payments, questionable care quality, and fraud in the PCS program. I am particularly concerned by OIG's investigative advisory that highlighted stories of vulnerable patients who were neglected and even harmed by the PCS providers entrusted with their care.

I am committed to working with my colleagues to address these issues and the root causes of fraud, waste, and abuse. However, any solution we consider to address the problems in the PCS program should be designed primarily to serve one constituency: vulnerable Medicaid patients. We must root out fraud and abuse, but we should not use potential fraud and abuse as an excuse to harm the people these programs are intended to serve.

In other words, the answer to Medicaid fraud is not to cut coverage or reduce benefits. The answer to beneficiary harm and neglect is not to institute work requirements. And the answer to abusive providers is not to drug test low-income beneficiaries.

Instead, we should be strengthening oversight so that bad actors are not allowed into the program, all beneficiaries get the care they need, and Americans' tax dollars are protected.

The PCS program is a great example of the type of crucial services that we should be protecting and strengthening. PCS attendants help patients with daily activities such as bathing and dressing, which gives Medicaid patients more freedom and dignity by allowing them to stay in their homes. Medicaid is the majority payer of long term care services and supports for seniors and individuals with disabilities, and personal care services are a critical benefit for these populations.

The HHS OIG has done important work on this issue that has benefitted the Committee's past bipartisan work, and no doubt will continue to benefit this Committee if given the appropriate resources. That is one of the many reasons why I am so concerned about President Trump's budget blueprint, which threatens to undermine the important work of agencies like the HHS OIG.

We will also hear from GAO about the challenges posed by varying PCS program requirements across different states, and how the states have not provided accurate data on the PCS program. Because Medicaid is a federal-state partnership, we need both CMS and the states to do their part in conducting oversight.

Mr. Chairman, I would like to thank the witnesses today for their commitment to strengthening the Medicaid program and serving its beneficiaries. Instead of rolling back the progress we have made, we must continue to find ways to improve oversight of these vital programs.

Thank you and I yield back.

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