

Today's hearing is an opportunity to examine improper payments within the Medicare and Medicaid programs.

Economic outlooks forecast the deficit in this country will balloon to 1.8 trillion dollars, equating to 6.8 percent of the GDP by 2024. Given these fiscal realities, financial mismanagement cannot be tolerated.

Improper payments, whether because of deliberate fraud, mistake, or an inaccurate amount, is a pervasive problem across the federal government.

Since Fiscal Year 2003, federal agencies have reported an estimated \$2.7 trillion in total improper payments.

A recent Government Accountability Office report disclosed that in Fiscal Year 2023 alone, government-wide improper payments amounted to \$236 billion.

This underscores the scale of the problem and just how bad the federal government's internal controls are - a concern that the GAO has been raising since 1997.

Furthermore, in a separate GAO report published in February of this year, the Comptroller General stated, "Congress and the administration must act to move the nation off the untenable long-term fiscal course on which it is currently operating."

GAO also stated, “The federal debt level is growing at a rate that threatens the vitality of our nation’s economy and the safety and well-being of the American people.”

I could not agree more with that sentiment.

For Fiscal Year 2023, GAO reports Medicare reporting approximately \$51.1 billion – let me repeat that billion- in improper payments and Medicaid reporting \$50.3 billion in improper payments.

These staggering figures not only highlight the magnitude of the problem but also signal deep-rooted systemic issues at the Centers for Medicare and Medicaid Services, or CMS.

Amidst the highest inflation in decades and facing increased costs across all fronts, the government's fiscal irresponsibility here is unacceptable. Americans deserve better.

Today, we aim to identify measures that can enhance oversight and address the long-standing problem of improper payments plaguing CMS.

Ensuring the integrity of our health care system is paramount; every dollar lost to an improper payment is a dollar not spent on life-saving care, innovative treatments, and essential services for our citizens.

Recent audits by the HHS OIG underscore the severity of the issue, revealing that Medicare incorrectly compensated acute-care hospitals for inpatient claims that should have been subject to the post-acute-care transfer policy, resulting in \$41.4 million in overpayments because of the misuse of discharge status codes.

Furthermore, investigations found that in just two years, California and New York alone were responsible for \$1.7 billion in Medicaid payments to approximately 1.6 million ineligible recipients, with an additional estimated \$4.3 billion directed towards nearly 4 million potentially ineligible enrollees.

Our duty is to ensure that not only are these funds recovered, but that stringent preventive measures are put in place.

It is critical that we implement rigorous oversight and accountability mechanisms.

This hearing will also address challenges posed by Medicaid state financing mechanisms.

Insights from the HHS Inspector general suggest that diligent oversight can mitigate and even reduce improper payments.

By embracing modern solutions and fostering innovation in monitoring and compliance, the federal government can significantly deter fraud, waste, and abuse. It's clear that as health care evolves, our strategies for safeguarding its resources must as well.

Combating improper payments will require a multifaceted strategy including improved data sharing, enhanced provider education, and stronger audit mechanisms.

Each of these actions has to work together to be effective.

In our federal system where states play such an important role, leveraging technology and fostering collaboration between federal and state agencies, and health care providers, will be crucial for fraud prevention and program integrity.

I hope that all of my colleagues here today will agree on the importance of ensuring Medicare and Medicaid's program integrity.

As Congress, it is our job to ensure that federal dollars are spent effectively and appropriately, ultimately leading to improved access and quality of care.

It's time to increase our use of transparency and innovative data tracking to reduce the amount of improper payments in CMS and ensure that every taxpayer's dollar is allocated correctly, and with precision and purpose.