

**Opening Remarks**  
**Chair Cathy McMorris Rodgers**  
**Oversight and Investigations Subcommittee Hearing:**  
**“Examining How Improper Payments Cost Taxpayers Billions**  
**and Weaken Medicare and Medicaid.”**  
**April 16, 2024**

**INTRO**

Thank you, Chair Griffith, for convening this critical hearing today on the rampant problem of improper payments in Medicare and Medicaid.

Today’s hearing gets to the heart of a dire concern: the fiscal health of this nation.

Each dollar misappropriated, spent improperly, or diverted from its intended use, only further burdens our already staggering national debt.

In the case of improper payments in Medicare and Medicaid, it also a threat to the long-term ability of these programs to provide quality care for our nation's vulnerable populations.

For Medicare, especially, this cuts into the solvency of the program, which is currently slated to run out of money in 2031.

## **ONGOING EFFORTS**

House Republicans have been raising the alarm on the need to address improper payments for years.

This Committee has sent multiple letters to Inspector General Grimm's office on issues such as payments to deceased beneficiaries and those enrolled across multiple states.

We're probing options for how states might strengthen their systems for beneficiary verification and eligibility detection.

## **SCOPE OF IMPROPER PAYMENTS**

It's appalling to see the government's disregard for taxpayer funds.

Since 2005, the federal government has recorded a staggering 2.7 trillion dollars in improper payments, a clear and unacceptable systemic failure.

This mismanagement indicates not only a lack of internal control but also a severe deficiency in program integrity that undermines public trust in government.

Federal-state cooperation is vital in health care delivery, and I hope our hearing today will inform ideas to strengthen that partnership.

However, my frustration mounts with an administration that seems to prioritize spending sprees over meaningful stewardship of taxpayer's hard-earned money.

## **UNANSWERED BUDGET NEUTRALITY QUESTIONS**

For instance, the administration significantly altered the 'budget neutrality' policy within Medicaid's Section 1115 demonstrations.

Despite these changes, they have not updated the guidance outlined in an August 2018 letter to State Medicaid Directors, which is still listed on the CMS website as the current policy.

This letter originally set forth the rules for calculating budget neutrality in Medicaid demonstrations, ensuring that these initiatives do not result in increased federal spending.

The failure to update this guidance leaves states and the public relying on outdated information, potentially leading to misunderstandings and misalignments with the actual fiscal policy being implemented.

Budget neutrality ensures that any new health care initiative under these demonstrations won't cost the federal government more money than existing programs.

These unexpected changes have profoundly changed policy frameworks that dictate the allocation of billions in taxpayer dollars.

This approach to policy making, which implicates significant taxpayer funds, is concerning.

I extend my gratitude to the Comptroller General for addressing this critical matter in his written statement, underlining the pressing need for transparency and fiscal responsibility in managing these significant policy shifts.

Despite our Committee's efforts, most notably through an October 2023 inquiry to CMS, our questions have been met with a disappointing silence.

This lack of communication is just another example of this administration's reluctance to engage in good faith with congressional oversight and uphold a standard of transparency that is critical for public trust and the responsible management of taxpayer dollars.

## **CLOSING**

We are at a crossroads where continued inaction is not just irresponsible, it threatens the future of these critical benefits.

Today, we seek answers to shortcomings in transparency, accountability, and fiscal prudence.

Today, not only will we continue to highlight these issues, we will talk about what we are doing to address them through robust oversight and smart policy solutions.

I look forward to the conversation and I yield back.