Committee on Energy and Commerce

Opening Statement as Prepared for Delivery
of
Subcommittee on Oversight and Investigations Ranking Member Yvette Clarke

Hearing on "State Medicaid Program Integrity: Examining Fraud Risks and Oversight Deficiencies"

June 25, 2026

I am glad to have another opportunity in this Subcommittee to discuss the partisan actions that the Trump administration has taken against state Medicaid programs under the guise of fighting fraud. Democrats have been raising concerns about CMS's threats of funding cuts to blue states, which are destabilizing programs and risk further cuts to health care in states led by Democratic governors— leaders who President Trump sees as political enemies.

The Administration's partisan motivations are clear. In January, amidst terror and chaos in Minnesota caused by the Trump Administration, CMS announced it would withhold up to $2 billion from 14 of Minnesota's health care services. Days later, on the heels of the killing of an innocent American citizen by ICE agents, President Trump threatened Minnesota with a "DAY OF RECKONING AND RETRIBUTION".

When CMS Deputy Administrator Brandt testified before this Subcommittee in March, I asked her when a hearing would be scheduled on CMS's decision to withhold more than $500 million in quarterly Medicaid funding from Minnesota. She said that CMS had been stayed from scheduling a hearing, which proved to be entirely false. When we asked for correction or clarification of her false testimony, Deputy Administrator Brandt did not provide one. We cannot conduct oversight if CMS is going to lie about its actions.

CMS has also deferred $350 million in Medicaid funding for Minnesota for two consecutive quarters in sweeping cuts to entire service categories but has not provided Minnesota with meaningful or consistent guidance on how to address CMS's concerns, .

In California, CMS has put $1.3 billion in Medicaid funding in jeopardy through a deferral for home health care service payments. CMS Administrator Oz proudly announced that this was the largest deferral ever by the agency. He fails to acknowledge the impact that these overbroad and indiscriminate actions will have. And he has refused to accept California's explanations for the growth in those services, which are due to long-standing efforts by the federal government and states to keep patients out of institutions and in their homes and communities. The need for home health care does not disappear when funding is suspended, and California patients are terrified of losing care at home and being forced into institutions.

CMS has also threatened my state, New York. When it began investigating New York's program, it touted clumsy and entirely incorrect math, which ultimately overstated the number of New Yorkers receiving home health care services by nearly eleven times. Even though CMS

admitted its error, the Trump Administration has not let up on its threats to rob New Yorkers on Medicaid of their health care.

We have also heard that the way CMS treats state officials in some blue states, has completely changed. CMS seems to be looking for reasons to cut funding to certain states, rather than ways to preserve it.

Administrator Oz and Vice President Vance have held numerous press conferences to announce hastily determined funding cuts that harm patient access to health care. They have clearly prioritized headlines over health care and partisanship over people.

The administration has repeatedly treated blue states as enemies rather than partners. HHS Inspector General March Bell has also joined this campaign against blue states by decertifying Hawaii's Medicaid Fraud Control Unit, cutting $3 million for the entity that is responsible for finding and prosecuting Medicaid fraud and patient abuse or neglect. This is particularly ironic as just the other day, the Department of Justice touted numerous arrests and charges for health care fraud and buried in the DOJ press release is a shout-out to the Medicaid Fraud Control Unit of Hawaii as one of the many agencies responsible for prosecuting the cases in the crackdown. One day they're being denied recertification and the next day they're part of a major operation that the administration wants all the credit for. Which is it?

The answer is that this administration will do anything to cover up for the massive Republican cuts to health care. Enrollment in Medicaid and the Affordable Care Act are dropping precipitously – more than 5 million people just over the past year.

CMS and states should work together to address fraud, just as they always have. Get actual fraud out of the programs and hold actual fraudsters accountable. But waging a politically motivated assault against the sick, the disabled, and blue states and taking health care away from millions of Americans is not fighting fraud. That's just using fraud as a convenient excuse to carry out the President's harmful agenda, with the most vulnerable individuals in our country paying the price.