

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

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

June 25, 2026

Nearly a year ago, Republicans passed their Big Ugly Bill that included \$1 trillion in health care cuts and is estimated to rip health care away from 15 million Americans.

During the markup of that bill, the Republicans in this Committee repeatedly insisted that the cuts wouldn't hurt patients and would only affect waste, fraud, and abuse in the program. That has proven to be completely false.

Earlier this month, the Administration released a rule showing just how burdensome and cruel the new requirements to receive care through Medicaid would be. That rule includes a provision that those receiving ongoing treatment for cancer could lose their Medicaid coverage if they don't jump through all the hoops and red tape that Republicans put in their way. Let me repeat that—even cancer patients are under attack by Republican cuts to their health care.

The Republicans' Big Ugly Bill was never going to strengthen Medicaid, as they claimed. It was just another step in the Republican campaign to dismantle it.

Now, as Republicans try to figure out a way to pay for President Trump's reckless war of choice with Iran through another partisan reconciliation bill, they are reportedly considering even more cuts to Medicaid.

More than 70 million Americans who are disabled or chronically ill, elderly, or children rely on Medicaid for their health care. The Trump Administration and Republicans in Congress continue to find ways to endanger or take away that care. They've decided that if they say they're eliminating fraud in Medicaid then they can get away with eliminating Medicaid.

The attacks on health care don't stop with the Big Ugly Bill. The Department of Justice just ripped up decades worth of guidance and precedent that helped keep those with disabilities out of institutions. And the Centers for Medicare and Medicaid Services, CMS, has selectively abandoned its practice of working in partnership with states to administer the Medicaid program. It is becoming increasingly clear that under Dr. Oz, CMS does not intend to work with states, particularly states that did not vote for President Trump, in good faith.

In California, for example, CMS has deferred \$1.34 billion in quarterly payments to the state—mostly for home and community-based services—solely based on how quickly the program has grown. If the goal was finding fraud, CMS would identify specific concerning

charges and work with the state to resolve them. It would not threaten to defer payments to *all* in-home supportive services for an entire quarter and then have the Vice President hold a celebratory press conference.

CMS continues to hold hostage funding to Minnesota, repeatedly making demands of that state with short deadlines only to move the goalposts when the state meets them.

And CMS sent a letter to New York making outlandish allegations about that state's Medicaid program accompanied by bombastic social media posts from Dr. Oz claiming that "nearly three-fourths of the state's 6.8 million Medicaid enrollees" received personal care services. But Dr. Oz and CMS had to walk back those claims after it was pointed out that they had committed obvious math errors that grossly inflated the number of enrollees receiving those services.

President Trump continues to use the entire government to reward his friends and retaliate against his enemies. While pardoning numerous fraudsters and insurrectionists, he signed an executive order that created an anti-fraud task force and singled out states that did not vote for him.

While Republicans have repeatedly cut health care access and affordability, Democrats continue to fight to protect and expand health care coverage for all Americans, bring down prescription drug prices in a sustainable way, strengthen the nation's public health infrastructure, and maintain investment in lifesaving medical research.

It is outrageous to watch the Trump administration going after state Medicaid programs while charging the American people \$132 billion for a war in Iran that is tanking the economy and fueling inflation that President Trump says he loves, proposing a \$1.8 billion slush fund for his political allies, and attempting to get Congress to appropriate \$1 billion in taxpayer money for his White House ballroom.

The combination of unprecedented health care funding cuts in the Republicans' Big Ugly Bill and these new, politically motivated cuts by CMS puts states in an impossible situation. And patients are already paying the price for it as providers are shutting down and patients worry they will be kicked out of their homes and forced into nursing homes.

Playing politics with Americans' health care is cruel and dangerous. Unfortunately, that is what we are seeing from this administration over and over again.