

Rep. Joseph R. Pitts
Opening Statement
Energy and Commerce Subcommittee on Health Hearing:
“Reviewing the Accuracy of Medicaid and Exchange Eligibility
Determinations”
Friday, October 23, 2015 (9:00 AM)

The Subcommittee will come to order.

The Chairman will recognize himself for an opening statement.

Today’s hearing will review the accuracy of eligibility and financing determinations made by the Center of Medicare and Medicaid Services (CMS)—both CMS’s eligibility determinations for Medicaid and subsidies in the federal and state health insurance exchanges, and CMS’s oversight of federal matching funds in the Medicaid program.

As we know, the ACA created taxpayer funded subsidies for health-care coverage for certain individuals and also required establishment of state-based or federally facilitated exchanges. As of June of this year, more than 9 million individuals have had effectuated exchange coverage—including more than 8 million individuals who are receiving federal subsidies.

The ACA also expanded Medicaid to cover childless adults, in what was the largest expansion of Medicaid since the program’s creation in 1965. Since October 2013, more than 13 million individuals have been enrolled in Medicaid and CHIP—including at least 7.5 million newly-eligible individuals enrolled in Medicaid.

Whether or not CMS is making accurate determinations for the Exchanges and Medicaid not only impacts millions of people, it implicates billions of dollars. The Congressional Budget Office has [estimated](#) that Exchange subsidies and related spending – as well as the increased Medicaid and CHIP outlays under the law – cost federal taxpayers \$77 billion just in 2015 alone. The total cost for Exchange and Medicaid related spending next year due to the law jumps to \$116 billion dollars.

Today's hearing comes at a critical time. Today, we are just over a week away from the start of open enrollment for federally-subsidized exchange coverage under the Affordable Care Act. So it is important that we examine the Administration's actions taken –or not taken – to impact the accuracy of Medicaid and exchange coverage eligibility determinations and the Federal matching rate for State Medicaid expenditures.

Previous reports in 2014 and earlier this year from the non-partisan Department of Health and Human Services' Office of Inspector General (OIG) and the Government Accountability Office (GAO) have raised very serious concerns about the systematic and ongoing vulnerabilities of eligibility verification systems in place governing the Healthcare.gov and state-operated health exchanges.

It is important that today we not only get an update on the Exchange systems, but also examine Federal efforts undertaken to ensure the accuracy of Medicaid eligibility determinations and the Federal matching rate for State Medicaid expenditures. We will also look at the Federal and State procedures to minimize duplicative coverage for Medicaid and exchange premium subsidies.

Regardless of member differences over the ACA, I hope we can all agree that good government need not be a partisan issue and that protecting taxpayer dollars is a constitutional responsibility we all share. Federal officials have a legal and ethical duty to be good stewards of federal dollars and ensure programs operate within statutory requirements. If an individual is not eligible for a program, taxpayers should not be forced to subsidize that individual just because federal controls are lax.

Our two witnesses today are from the GAO and we appreciate their presence with us. They will share with us the data-driven assessment from the non-partisan GAO regarding a range of challenges related to exchange eligibility controls and the Medicaid expansion.

I will now yield to the distinguished Member, [name]