

Opening Statement of Chairman Michael C. Burgess, M.D.
Energy and Commerce Subcommittee on Health Hearing
“Strengthening Medicaid and Prioritizing the Most Vulnerable”
February 1, 2017

The Subcommittee will come to order.

The Chairman will recognize himself for an opening statement.

Medicaid—a state-federal partnership designed as a safety net for the most vulnerable—has grown at a rapid rate. Today’s Medicaid program is three times larger—by enrollment and spending—than it was in 1997 under President Bill Clinton. This safety-net program will cover up to 98 million people this year, and will cost taxpayers more than \$600 billion.¹

As a physician, I have had the privilege of actually providing health care for hundreds of Medicaid patients. I have looked in their eyes, I have listened to their concerns, I have held their hands, and I know many of their stories. Now I have the privilege of trying to help many patients like this, by holding this Chair and by working with each of you to improve and modernize the Medicaid program. As we embark on this new Congress together, while I know we will have real differences, I hope we can agree on our shared goal: to improve the Medicaid program to provide access to high-quality care for those who truly need it.

¹ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html>

Today we will start by examining targeted, commonsense steps that can be taken to cut states' costs, and prioritize care for vulnerable patients who are waiting to access Medicaid services.

One of the bills we will consider addresses an area of concern states have repeatedly requested Congress examine. Individuals seeking Medicaid coverage for long-term care must have assets below established thresholds to be eligible. Medicaid's treatment of married couples' resources has resulted in a loophole that allows the community spouse to shield assets by purchasing an annuity that is not counted against current asset thresholds. Representative Mullin has authored the *Close Annuity Loopholes in Medicaid Act*, to put a stop to this gaming of the system. His bill would make half of the income generated from an annuity purchased by a community spouse within the 60-month lookback period countable towards the institutionalized spouse's financial eligibility.

Another bill we will consider today originated with a State emailing the Committee to express a concern. The ACA required states to use Modified Adjusted Gross Income (MAGI) for income calculations for determining Medicaid eligibility. Under MAGI, eligibility for Medicaid applicants is based on monthly household income. Irregular income received as a lump sum, such as lottery or gambling winnings, one-time gifts, or inheritances, is counted as income only in the month

received. This means that lottery winners are been allowed to retain taxpayer-financed Medicaid coverage.

Representative Upton's bill would close this loophole. This bill would require states to consider monetary winnings from lotteries as if they were obtained over multiple months for purposes of determining eligibility. This provides a scalable approach so individuals with high-dollar winnings are kept off the program for an appropriate time.

Finally, each of these bills we are considering allocate some portion of the dollars saved in to the Medicaid Improvement Fund, to be used for the purpose of improving access to care for the vulnerable and needy individuals currently on Medicaid waiting lists.

While we will have additional hearings on Medicaid in the weeks and months to come, this hearing is focused on narrow issues and will cover bills that have been introduced in prior Congresses. We all agree that it is important to secure care and keep our commitment to vulnerable Americans. I hope that we can begin by taking these small steps forward to put Medicaid spending on a sustainable path.

With that, I'll yield to Representative Flores to speak about his bill, which we will be considering today.