COMMITTEE ON ENERGY & COMMERCE DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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Statement of Ranking Member Frank Pallone, Jr., as prepared for delivery
House Energy and Commerce Committee
Subcommittee on Health
Hearing on "Examining the Administration's Approval of Medicaid Demonstration Projects"

Mr. Chairman, thank you for calling today's hearing on Medicaid demonstration projects, and thank you to all of our witnesses for coming to testify.

Section 1115 (11-15) waivers were established for the express purpose of allowing states to dream big in their Medicaid programs—to design and pilot new ways of delivering care that support the overarching objectives of the Medicaid program: to strengthen coverage, expand access to providers, improve health outcomes, and increase the quality of care for beneficiaries.

States already have extremely broad flexibility under an 1115 (11-15) waiver, and that flexibility is a good thing. But in exchange, it's important that there remains strong public transparency and evaluation.

That's why I am pleased that after close to twenty years of recommendations for more transparency into the Medicaid waiver process, the Affordable Care Act included a bipartisan provision to improve the transparency of Medicaid waivers, in line with longstanding recommendations from GAO. Today, because of this provision, the public has meaningful opportunities to provide input into the waiver process at both the state and federal level, waivers are now evaluated on a periodic basis, and states submit reports on implementation. This was a huge step in the right direction.

I am further encouraged by CMS' concurrence with GAO recommendations specifically in their April, 2015 report for better ongoing and transparent documentation of how states spend Medicaid dollars. This is a recommendation that prior Administrations had refused to correct, and I continue to believe it is the right thing to do to ensure dollars are following our Medicaid beneficiaries.

I was also encouraged by the Administration's clear and public articulation over the past year with states regarding the specific criteria that it would use for approval of waivers for states with so-called "uncompensated care pools." In many past reports, GAO has expressed concerns with the structure and distribution mechanisms for uncompensated care dollars that some states have used. This is another step in the right direction.

Despite these advancements, I believe there is still more to be done. A real conversation about improving transparency of Medicaid waivers, while carefully balancing the need to preserve state flexibility, is a conversation worth having.

To be clear, however, states already have broad flexibility. Disguising punitive, ideological philosophies like work requirements and increased cost-sharing as vital "flexibility" needed by states has no place in this conversation. Those are policies that undermine the foundation of our safety net.

There is a real opportunity today to evaluate and learn how to improve the Medicaid waiver process so we can provide better care to millions of people that count on Medicaid. I look forward to that discussion.

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