

STATEMENT OF CHAIRMAN GORDON H. SMITH
Aging Committee Hearing
“Mandatory or Optional? The Truth about Medicaid”
June 28, 2005

Thank you all for coming today. I am especially pleased to welcome our distinguished panel of witnesses who I am certain will share with the Committee a great deal of information that will help us make decisions as the Congress moves forward with development and consideration of a reconciliation package later this year.

Medicaid is a vital safety-net program for 54 million elderly, disabled, chronically ill and poor Americans who rely on it for their health care. The purpose of this hearing is to learn about a fundamental aspect of the program – use of “mandatory” and “optional” populations and benefits.

To some, these categories simply mean that those who are considered a mandatory population should receive care through Medicaid and that those who are optional probably have other alternatives and don’t really need Medicaid’s help. Well, by the end of this hearing I believe we all will learn that isn’t necessarily the case.

In fact, if we allow optional beneficiaries to lose Medicaid coverage, they will simply join the ranks of the millions of uninsured Americans and end up costing taxpayers far more in the long run.

We also may learn today that there are whole groups of Americans without health care coverage and no matter how poor or sick they may be they cannot receive care through Medicaid.

Exploration of these issues is important as we move forward and try to:

- 1) determine how to meet the \$10 billion reconciliation instruction given to the Finance Committee, and
- 2) determine how to improve and reform this vital program.

As we consider proposals intended to respond to the budget reconciliation instruction and deliberate ways to improve the overall Medicaid program, we must proceed with caution and extreme sensitivity. It is my experience as both the President of the Oregon State Senate and a member of the United States Senate, that much good can be accomplished when we work together and remain focused on the people this program helps. Unfortunately, because of its complexity and the severity of many beneficiaries’ health status, much damage can also be done if Medicaid is not approached the right way.

That is why I continue to advocate for bringing all stakeholders to the table. Because only when all voices have been heard can a solution be discovered that will be able to garner support from a majority of the United States Senate.

Using the Aging Committee, I plan to hold a series of hearings over the next year and a half to provide a forum to share ideas, concerns and hopefully craft proposals that will result in a higher quality, more efficient and more sustainable Medicaid program. The focus of these hearings will be divided between the short term challenge of meeting the reconciliation instruction and the long term challenge of improving the program.

I look forward to working with my colleagues as we delve into Medicaid and welcome input from all Medicaid stakeholders. After all, every voice must be heard because all have an important and unique perspective to bring to the table.

Thank you.