

Opening Statement of the Honorable Joe Pitts
Subcommittee on Health
Hearing on “Saving Seniors and Our Most Vulnerable Citizens from an Entitlement
Crisis”
March 18, 2013

(As Prepared for Delivery)

Medicare and Medicaid are critically important programs that millions of Americans rely on. These programs are in trouble.

Doing nothing is not an option. Doing nothing is unfair, particularly to those who can't afford any other options. Doing nothing is irresponsible.

But in the last few years, those who have proposed solutions have been viciously attacked by special interests and their allies on Capitol Hill. When the House passed a budget that charted a path to saving Medicare, many on the other side accused us of trying to "end Medicare as we know it."

But they offered no solution of their own.

Let me be clear: the status quo spells doom for every American who relies on Medicare or Medicaid for their health care. Both parties need to work together to modernize these programs so they can survive.

Today's hearing is designed to get an accurate picture of the fiscal challenges facing Medicare and Medicaid so we can preserve these programs for the populations they were designed to serve.

Without defining the problems these programs face, we cannot assess whether they are serving current beneficiaries in the most efficient and effective manner possible, and we cannot strengthen and save them for future generations.

The Medicare program served 49 million beneficiaries in 2012, and, as was noted in a previous hearing, has been on the Government Accountability Office's "high risk list" since the list began in 1990.

According to the latest Medicare Trustees report, Medicare will be insolvent no later than 2024, and as soon as 2017. More recent estimates have predicted insolvency as soon as 2016. That's three years from now.

Doing nothing is not an option.

Slogans such as "Hands Off My Medicare" and the past refusal of the other side of the aisle to even discuss changes to the program will lead to Medicare's collapse.

We can begin modernizing these programs now, or we can do nothing. If we do nothing, Medicare will not be there for our children and grandchildren. In fact, if we do nothing, Medicare as we know it will not be there for today's seniors—in a few short years.

Nearly 60 million Americans are currently enrolled in Medicaid. While Medicaid spending accounts for nearly one-quarter of most state budgets, in my home state of Pennsylvania, it is approximately one-third of the entire state budget.

Should Pennsylvania choose to expand the program under the Affordable Care Act, over 60 percent of the commonwealth's budget will go to Medicaid, unfairly crowding out funding for roads, schools, and public safety.

Medicaid costs to the state are expected to grow by nearly \$400 million in the next fiscal year, and these costs do not include any costs associated with an expansion.

Currently one in six Pennsylvanians receives Medicaid benefits. If the governor chooses to expand Medicaid in the commonwealth, 1 in 4 Pennsylvanians will be on the Medicaid rolls.

And this is not just a problem for Pennsylvania.

The next ten years of federal Medicaid spending will be twice the amount spent in the last 45 years.

This is completely unsustainable.

Medicaid was designed as a safety net for our nation's poorest and sickest people. States are already struggling to serve this core population, and Washington certainly doesn't have extra money lying around either. For a system that is already under tremendous strain, how will adding millions of young, able-bodied adults to Medicaid affect our ability to care for our country's poorest and sickest citizens?

With both Medicare and Medicaid, we face a fundamental issue of fairness. Is it fair that young people are paying into Medicare when, as of now, the program will not be around for them when retire?

Increasingly, doctors simply can't afford to treat Medicaid patients. Is it fair that the president's health care law will force millions of disabled and sick Americans to compete with able-bodied 25-year-olds for appointments with those doctors who will still see them?

I look forward to hearing from our witnesses today, not just about the challenges we face in preserving these programs but also their solutions to modernize and save Medicare and Medicaid.

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