NATIONAL HEALTH COUNCIL

Prepared Written Testimony
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On behalf of the National Health Council's nearly 200 member organizations, I urge you to protect and strengthen Medicaid as a vital source of coverage for more than 80 million Americans, including many people living with chronic conditions and disabilities. Medicaid provides access to affordable, high-quality, and person-centered care that supports their health, independence, and full participation in family and community life. Any policy changes must preserve Medicaid's ability to fulfil this essential role.

For more than 100 years, the National Health Council (NHC) has engaged diverse organizations to drive patient- centered health policies and practices that increase access to affordable, high-value, and sustainable health care for all Americans. The NHC's membership is composed of nearly 200 national health-related organizations, the majority being the nation's leading patient organizations. Other members include health-related associations and nonprofit organizations including the provider, research, and family caregiver communities; and businesses representing biopharmaceutical, device, diagnostic, generic drug, and payer organizations.

The NHC recognizes Medicaid's critical role in providing access to health care. For many of the nearly 200 million Americans living with chronic disease or disability whom we represent, it is their sole source of health coverage, Medicaid provides these individuals with access to comprehensive and affordable care that supports their ability manage complex health needs, maintain their quality of life, and live independently in their communities. Nearly two in five Americans rely on Medicare or Medicaid to access health care. Medicaid covers 41% of all births in the United States and is often the only support available for individuals who require long-term care.

Protecting Medicaid for people living with chronic diseases and disabilities requires both safeguarding access to care and ensuring that these programs are protected from fraud. However, the design and implementation of enforcement efforts can lead to unintended consequences, including delays in care, provider shortages, and undertreatment. Federal fraud enforcement must carefully balance safeguarding the financial integrity of Medicare and Medicaid with preserving access to coverage and care and preventing patient harm.

Achieving this balance requires focusing efforts to address fraud on intentional wrongdoing while supporting providers and health care organizations in meeting complex compliance requirements. Improper billing is frequently the result of administrative complexity or error rather than deliberate fraud, and policies should

reflect this distinction. For example, in 2024, Medicaid paid an estimated 94.9% of total outlays *properly*, while its overall *improper* payment rate was 5.1%. However, 79.1% of the improper Medicaid payments were the result of insufficient documentation or missing administrative steps.[1] Congress and the Centers for Medicare and Medicaid Services (CMS) should ensure that program integrity tools distinguish fraud from administrative error and account for their potential effects on patients, particularly those who rely on consistent access to medications, treatments, and specialized providers.

The National Health Council urges Congress to pursue policies that address purposeful fraud while protecting patient access to care. Many mechanisms for investigating and addressing Medicare and Medicaid fraud already exist and should continue to be fully utilized. At the same time, fraud prevention efforts should not be implemented in ways that inadvertently punish patients and their caregivers for the actions of bad actors. Providers and others working in the health care system also need clear guidance and support to ensure compliance with Medicare and Medicaid rules and reduce administrative errors.

Conclusion

The NHC looks forward to working with Congress and leaders across CMS to advance these priorities and to ensure that every individual, especially those living with chronic diseases and disabilities, receives the care, treatment, and support they need to live healthier lives.

Thank you for your attention to this critical issue. Please contact Kimberly Beer, Senior Vice President, Policy & External Affairs at kbeer@nhcouncil.org or 202-557-9146 with any questions or requests for additional information.

[1] Microsoft Word - FY 2024 HHS Agency Financial Report Final for PDF Conversion Master CLOSED