



House Energy and Commerce Health Subcommittee Holds Hearing on Medicaid Reform on February 1, 2017

On February 1, 2017, the House Energy and Commerce Health Subcommittee held a hearing entitled “Medicaid: Strengthening Medicaid and Prioritizing the Most Vulnerable.” Subcommittee Chairman Michael Burgess (R-TX) highlighted the significance of the Subcommittee’s first hearing being devoted to Medicaid and potential reforms.

Areas of focus during the hearing included the following:

- **Block grants and per capita caps:** Energy and Commerce Committee Ranking Democratic Member Frank Pallone (D-NJ) suggested that in order to strengthen the Medicaid program, it should be expanded and not converted into a block grant. Several other Democratic members noted that block grants or per capita caps would lead to reduced funding for the program. Such reductions would cause states to drop millions of people currently covered and, ultimately, to implement cuts to provider reimbursement and covered benefits.
- **State flexibility and consumer-driven policies:** Several Republican members reported that states are unable to innovate within the confines of current federal Medicaid requirements. Republican members and some witnesses also noted the need for consumer-driven policies in the Medicaid program.
- **Medicaid Drug Rebate Program:** Rep. Buddy Carter (R-GA) discussed the Medicaid Drug Rebate Program, and specifically questioned whether it would be better to let states opt out of the Rebate Program and establish their own programs.

If you have any questions regarding this Sidley Update, please contact the Sidley lawyer with whom you usually work or

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