Opening Statement of Ranking Member Jeff Merkley
Senate Budget Committee Hearing: “Medicaid: The Reality”
August 4, 2026

Sen. Merkley’s remarks, as prepared for delivery, follow:

Thank you, Mr. Chairman.

And thank you to our witnesses for being here today.

Last year, my Republican colleagues passed their so-called Big, Beautiful Bill.

I call it a Big Ugly Betrayal because it slashes more than $1 trillion from our health care systems, kicks more than 15 million Americans off their health insurance and skyrockets out-of-pocket costs for millions more.

Why? To fund bigger tax breaks for billionaires. It’s Families Lose, Billionaires Win.

Now, Republicans are attacking Medicaid with claims of massive fraud. I’ll partner with anyone to tackle fraud.

Investing in audits? I’m in.

Uncover and stop fraudulent charges? You bet.

Stop upcoding, which is a huge fraudulent practice in Medicare Advantage? I’m on the team.

But deliberately reducing health insurance coverage for low-income families isn’t tackling fraud. It is simply destroying health care for the least affluent and most vulnerable.

Indeed, the Trump Administration has been all in on protecting fraudsters by cutting off funding for Medicaid Fraud Control Units and pardoning convicted fraudsters, including one executive who generated $205 million in false Medicare claims.

The Republican plan is simple: Red Carpet for the Rich, Red Tape for the Poor.

Under this Republican assault on health care for the less affluent, more than eight million Americans have already lost their health insurance.

This is wiping out health care for struggling families, including two million children.

Certainly, the two million children who have been booted off Medicaid or the Children’s Health Insurance Program weren't committing health care fraud.

And let’s be clear: wiping out health insurance is a lose-lose-lose strategy.

Without health insurance, people will delay getting care, develop more serious health issues, like cancers that could have been treated sooner, be more expensive to treat, often in emergency rooms, and provide less revenue for clinics and hospitals.

And when revenue drops, hospitals and clinics close, reducing care for entire communities, regardless of what type of insurance they have.

That's scary because, in rural areas, the next nearest hospital may be a hundred miles away.

If you're having a heart attack or stroke, you don't have time to drive 100 miles to reach a doctor!

As of April 2026, 216 hospitals and clinics have already closed or dramatically reduced services.

And more than 1,000 hospitals, clinics, and nursing homes are at risk of closing or cutting services because of the Republican cuts to Medicaid.

And here's more bad news: the Republican cuts are even more devastating in 2027 – cynically scheduled to kick-in after this November's elections!

An independent analysis by the nonpartisan Congressional Budget Office shows that this law will end coverage for 7.5 million Medicaid enrollees by creating a thicket of red tape, burdensome reporting requirements, and extra costs, like $35 co-pays for Americans who are already struggling to afford the cost of gas and groceries each week.

That's just wrong.

And let's recognize that these cuts hit rural America hardest.

My state of Oregon is a big, rural state. In rural Malheur County, in southeast Oregon, 52 percent of residents are covered by Medicaid.

Compare that to folks in Washington County, just west of Portland, where only about 25 percent of residents are covered by Medicaid.

So, these Republican cuts to Medicaid will hit rural Americans much harder.

It's also bad budgeting.

Let's look at the numbers:

As you can see from this chart, since 2007, all health care spending has gone up.

But Medicaid spending has gone up at a much lower rate.

And CMS forecasts that, this year, the per person costs of private insurance will increase more than the per person costs of Medicaid."

Not to mention that Medicaid makes up just 18 percent of national health spending.

And, between 2000 and 2023, while Medicaid's enrollment roughly doubled, Medicaid's share of national health spending ticked up just 3 percentage points, from 16 to 19 percent!

So, the problem isn't Medicaid – it's our overall health care system driving up costs across the board.

In fact, Medicaid saves us money long-term.

CBO has found that every additional dollar we spend on children's Medicaid coverage today reduces federal deficits by roughly two dollars in the future!

Why? Because healthier kids grow up to be healthier adults, reducing their demand on the health care system while increasing their contributions in taxes.

That's critical to my state of Oregon, where nearly 60 percent of kids get their health care through Medicaid or the Children's Health Insurance Program.

But it's not just kids who are threatened by these cuts.

The Big Ugly Betrayal Law is also forcing states to slash home- and community-based services for seniors and people with disabilities.

Here's how it's affecting real people:

In Minnesota, an autism therapy provider had to sell her cattle herd and lay off staff just to afford to keep serving children who have nowhere else to turn.

In California, because of in-home support services, a mother has been able to take care of her disabled son instead of having to work an additional job.

As she said, quote, "Without this, people become homeless. They lose their income. They lose their stability. Whatever tiny safety net they had is gone. It's just cruel."

And, in Oregon, one of my constituents wrote me about her two 40-year-old sons with disabilities, who, since they were 18, have lived in group homes and attended day programs that let them live full lives.

Her plea to us was simple: don't force families, like hers, back toward institutionalization by cutting Medicaid funding for these programs.

In her words, that would be, quote: "insane, inhumane, and a crime against humanity."

Insane is right.

This isn't about fraud. If it was, then this hearing would be about the President pardoning convicted fraudsters and cutting funding for Medicaid Fraud Control Units.

This is about the Red Carpet for the Rich, Red Tape for the Poor.

Heath care is a right for all, not a privilege for the wealthy.

Let's reject the Republican strategy of Families Lose, Billionaires Winand replace it with the strategy of Families Thrive, and Billionaires Pay Their Fair Share.

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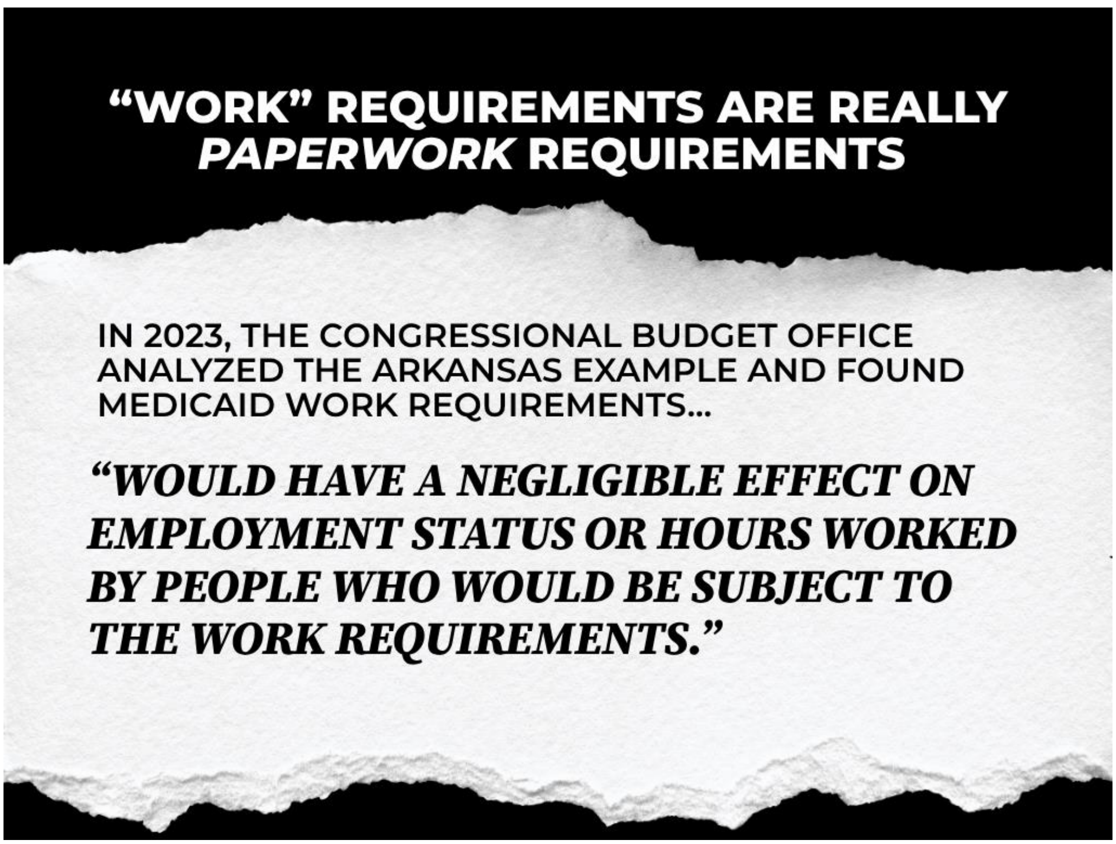
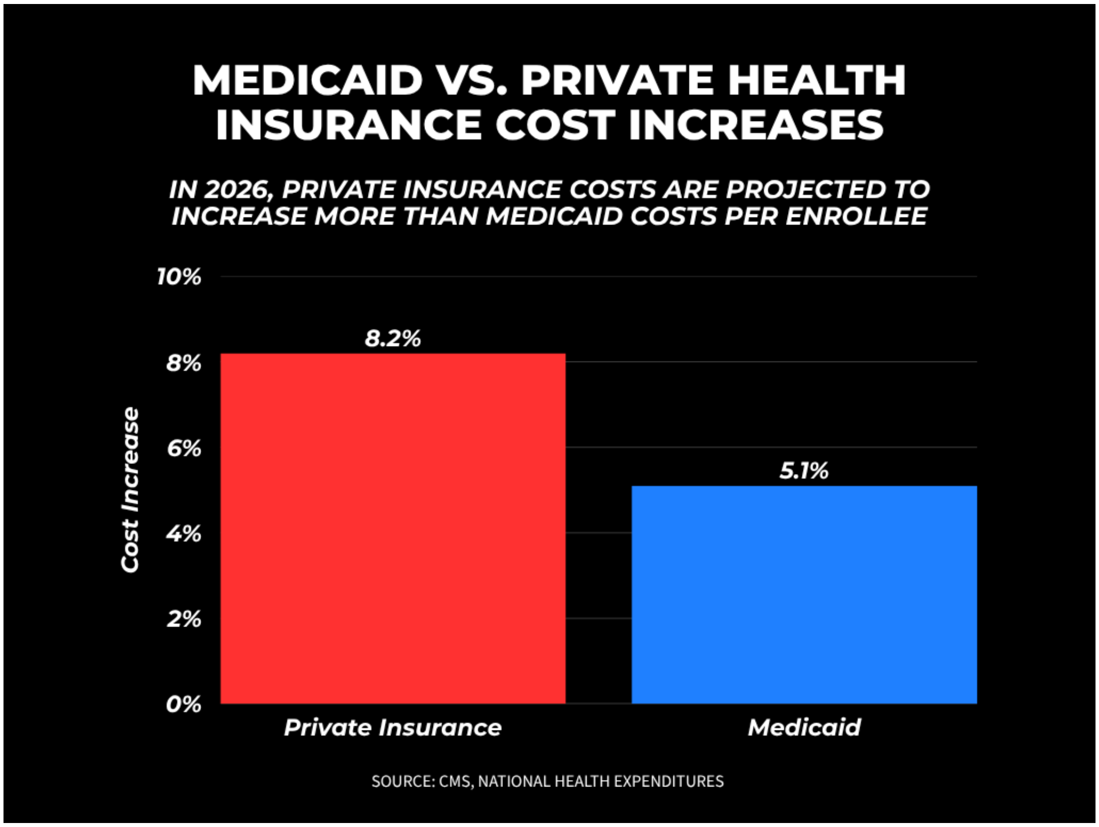
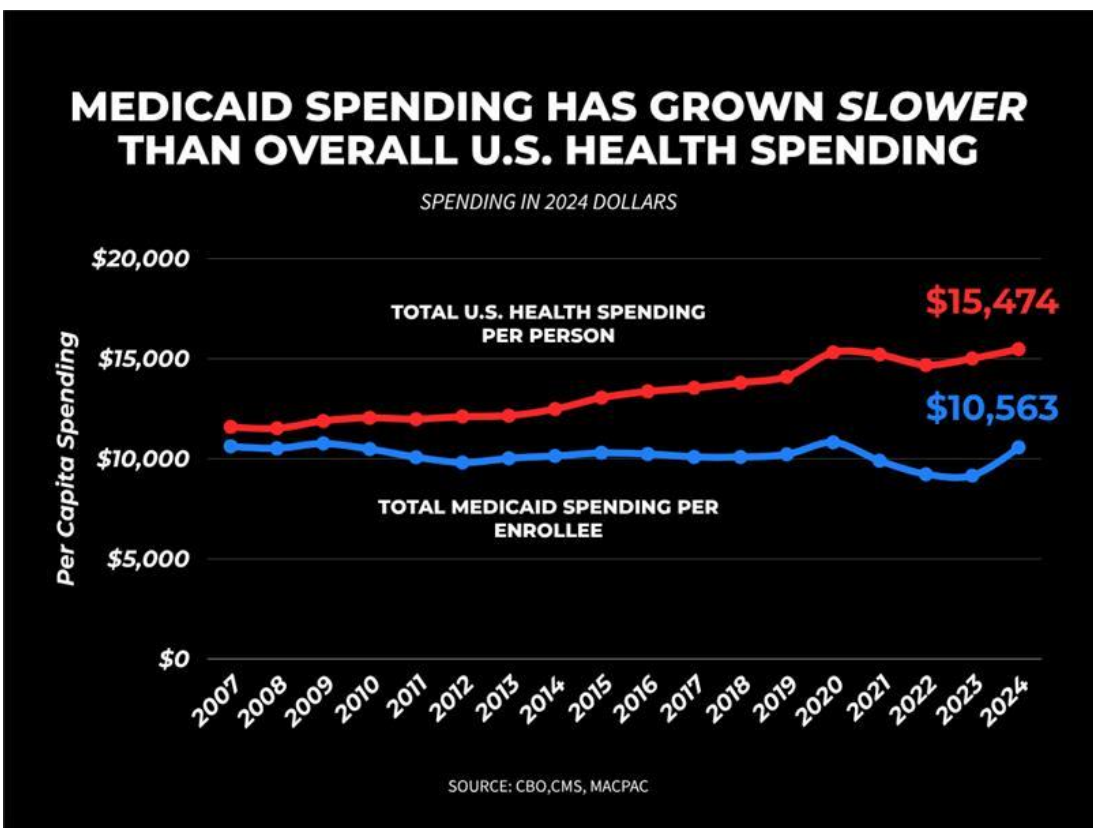



MEDICAID VS. PRIVATE HEALTH INSURANCE COST INCREASES
IN 2026, PRIVATE INSURANCE COSTS ARE PROJECTED TO INCREASE MORE THAN MEDICAID COSTS PER ENROLLEE
10%
8%
6%
4%
2%
0%
Cost Increase
8.2%
5.1%
Private Insurance
Medicaid
SOURCE: CMS, NATIONAL HEALTH EXPENDITURES


MEDICAID SPENDING HAS GROWN SLOWER THAN OVERALL U.S. HEALTH SPENDING
SPENDING IN 2024 DOLLARS
$20,000
$15,000
$10,000
$5,000
$0
Per Capita Spending
TOTAL U.S. HEALTH SPENDING PER PERSON
$15,474
$10,563
TOTAL MEDICAID SPENDING PER ENROLLEE
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
SOURCE: CBO,CMS, MACPAC