

Subject: House Energy & Commerce Votes to Terminate PPHF (Obamacare Slush Fund) and Reduce Medicaid

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COMMITTEE ON ENERGY AND COMMERCE

Chairman Fred Upton
114th Congress

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Committee Works to Close Obamacare Slush Fund, Remove Jackpot Winners from Medicaid

Committee Advances Legislation that Delivers Nearly \$30 Billion in Responsible Budget Savings and Entitlement Reforms

WASHINGTON, DC – The House Energy and Commerce Committee today advanced [H.R. 4725, the Common Sense Savings Act of 2016](#), by a vote of 28-19. The bill authored by Health Subcommittee Chairman Joseph Pitts (R-PA) amounts to \$30 billion in responsible budgetary savings.

H.R. 4725 includes several practical reforms to health entitlement programs that will help ensure the sustainability of important programs the most vulnerable rely on, while also addressing some of our fiscal challenges. The provisions included in the bill will:

- **End Medicaid for lottery jackpot winners:** Under current law, lottery winnings are counted as income only in the month they are received. Consequently, states are not allowed to remove multi-million dollar jackpot winners from Medicaid, forcing taxpayers to pay for health care benefits for individuals who no longer require assistance. This reform would alter how Medicaid eligibility is determined for persons who receive lottery winnings.
- **Eliminate enhanced Medicaid payments for prisoners:** The federal government through Medicaid currently pays a larger share of inpatient health care expenses for some prisoner populations compared to many disabled children and pregnant moms. This provision levels the playing field and reduces the Medicaid matching rate for inpatient services for those who are incarcerated.
- **Reform Medicaid provider tax:** Under current law, states use a “provider tax” arrangement to increase the amount of federal Medicaid dollars flowing to their state. The policy would limit the ability of states to impose Medicaid “provider taxes” aimed solely at increasing Medicaid payments from the federal government.
- **Eliminate Obamacare SCHIP enhanced match rate:** Obamacare upset the federal-state

balance of the State Children's Health Insurance Program (SCHIP) by increasing the federal financial responsibility for the program. This reform would ensure SCHIP remains a true partnership between the federal government and states by returning matching rates to normal levels.

- **End Obamacare's Prevention Slush Fund:** This would eliminate the health law's Prevention and Public Health Fund that provides the HHS Secretary unaccountable access to billions of taxpayer dollars for pet projects. The slush fund has financed wasteful and [questionable projects](#) in the past, including programs that have funded pet neutering movements, park signs, and lobbying campaigns for higher taxes.

"Federal spending on our health care entitlements is the largest driver of our debt and budget deficits, but we can act to avoid a crisis in the future," **said Pitts**. "H.R. 4725 will make commonsense and practical changes to reduce our deficit by \$30 billion over the next decade. It's an opportunity to do better for the American people, and get our fiscal house in order."

"Commonsense reforms like moving million dollar jackpot winners off the taxpayer's dime deserve our support," **said full committee Chairman Fred Upton (R-MI)** during opening statements. "So do reforms that also strengthen Medicaid and the State Children's Health Insurance Program, so they can better serve the most vulnerable who rely on their critical services."

The committee also advanced [H.R. 2666, the No Rate Regulation of Broadband Internet Access Act](#), authored by committee member Rep. Adam Kinzinger (R-IL). H.R. 2666 would prevent the Federal Communications Commission's from regulating the rates charged for broadband internet. Read a related press release [here](#).

A background memo, amendments, archived webcast, and votes will be available [here](#).

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