

**Opening Statement of the Honorable Tim Murphy  
Subcommittee on Oversight and Investigations  
Hearing on “Patient Protection and Affordable Care Act:  
Implementation in the Wake of Administrative Delay”  
July 18, 2013**

*(As Prepared for Delivery)*

We are here today to discuss the administration’s recent decision to delay a substantial portion of the healthcare law — the requirement that businesses with over 50 employees provide coverage to their employees. This decision was announced quietly, just before the July 4th holiday, through a blog post. Valerie Jarrett, one of the president’s top advisors, stated that the administration had delayed the employer mandate tax because it was “listening” to employers who had complained about the law’s burdens and costs.

In the three years since the president’s health care law was enacted, this committee has also been listening and we’ve heard this administration repeatedly tell us that “all is well.” That exchanges would be ready to go live in October.

Never once did administration officials suggest that a key underpinning of the law – the requirement that employers report offer federally-approved health benefits and pay extra taxes if they didn’t – would be delayed.

As soon as the Treasury Department announced this decision in a blog post, the committee sent a letter asking for some basic information to understand how and why this decision was made. The executive branch — the president — has a constitutional duty to faithfully execute laws passed by Congress.

Both the Treasury Department and White House have said the decision to delay the employer mandate was made after engaging in a discussion with employers. Yet, in a July 9th letter to our committee, the Treasury department did not answer the committee’s question about who officials spoke with to reach this decision. Why did the administration give businesses a waiver from the law for a full year, but force individual Americans to comply with the law NOW or pay a new tax?

Where is the waiver for the American people?

This delay in the employer mandate tax is not the first clue that implementation of the Affordable Care Act is becoming a massive failure.

In April 2011, more than 1,400 organizations and employers providing health insurance to 3.1 million Americans were granted waivers from the ACA’s mandates for one year.

By January 2012, those 1,400 waivers were automatically extended for two more years.

And now, every employer in America gets a waiver from the employer mandate tax.

The American people, however, get no waiver from the mandates, the taxes, and burdens of this law.

It is interesting that the Treasury Department chose to explain that the employer mandate was delayed for two reasons: first, it will allow the administration to find ways to simplify the reporting requirements in the law. Second, this provides time to adapt reporting systems. These same reasons support a delay in the individual mandate.

Treasury’s position that a delay is necessary because additional time is needed to adapt reporting systems sends a troubling signal about the administration’s lack of progress in implementing the law. How the exchanges will operate next year appears now to be a far cry from what the law envisioned. It also

raises questions about another recent delay by the administration, also announced over the July 4 holiday: HHS' decision to scrap the income and coverage verification requirements for 2014.

I'm sure today we will also hear a great deal about the news that New York's premiums may be lower. This isn't surprising: New York has the most heavily regulated and often most expensive health care market in the country, so of course when you force every American to buy that expensive product, the cost may go down. I certainly am not going to be heading home to my district and saying: "Congratulations, you now get to pay Manhattan prices in Pennsylvania."

Enrollment in the exchanges will begin in just over 70 days. It is important that every American understands how this system will work. Testifying before the committee today is J. Mark Iwry, Senior Advisor to the Secretary and Deputy Assistant Secretary for Retirement and Health Policy at the U.S. Department of the Treasury. Welcome, Mr. Iwry. I hope that you can provide specific answers to the committee members' questions about Treasury's decision and whether we can expect additional delays.

Yesterday the House of Representatives voted to do two things. First, the House voted to codify the President's ability to delay the employer mandate, and second, it voted to offer this same option — the one given to America's businesses — to American families. Whether or not you agree on this policy, as an oversight subcommittee, we need to understand the basis for the administration's decisions to delay or postpone the Act's requirements. As reports mount that the exchanges and states are not prepared to fully implement this law, it seems likely that the administration will again find itself in the position of wanting to grant additional delays of the law's requirements. Examining the basis for these decisions, and how they were made, is the job of this subcommittee. That is the reason for having this hearing today.

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