

ONE HUNDRED THIRTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

May 19, 2014

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius,

Pursuant to Rules X and XI of the United States House of Representatives, the Committee on Energy and Commerce is examining the payment of subsidies made to millions of Americans under the Patient Protection and Affordable Care Act (PPACA).

According to the *Washington Post*, more than 1 million Americans may have received incorrect subsidies to pay for health care plans purchased in the Federally Facilitated Marketplace (FFM) and the government has been unable to fix the error.¹ As a result, “potentially hundreds of thousands of people are receiving bigger subsidies than they deserve” and only a “fraction” of that number have been notified that there is a problem with their application. The reason for this problem is one that has troubled the FFM since open enrollment began on October 1, 2013: the capability to address these problems has yet to be built. Henry Chao, Deputy Chief Information Officer for the Centers for Medicare and Medicaid Services (CMS), acknowledged this in his testimony before the Subcommittee on Oversight and Investigations on November 19, 2013.

The *Post* noted that a federal contractor would begin to “step up efforts at resolving a variety of inconsistencies that have appeared in applications, including income discrepancies.” In addition to eligibility for subsidies, the effort to resolve inconsistencies must also address another problem: 1 million applications present questions about citizenship status.

Today, the Committee is sending letters to several of the contractors responsible for the building of the FFM and the issues identified in this letter. We ask that the Department of Health and Human Services (HHS) instruct these companies to comply with the Committee’s response by the deadline set forth in this letter.

¹ Amy Goldstein and Sandhya Somashekhar, *Federal health-care subsidies may be too high or too low for more than 1 million Americans*, WASHINGTON POST, May 16, 2014.

In order to better understand the implementation of the PPACA and the administration's efforts to correct these inaccurate payments, please have the individuals responsible for leading this work for HHS, CMS, and the Centers for Consumer Information and Insurance Oversight (CCIIO) provide a briefing to committee staff no later than June 2, 2014. The briefing should address the following:

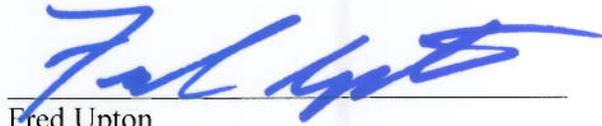
1. A detailed explanation of the payment of incorrect subsidies. This would include, but is not limited to, the scope of the problem, the number of individuals or families affected, the types of errors or inaccuracies that have occurred, and steps that will be taken to resolve this issue, including how FFM applicants will be notified and whether they will be required to reimburse HHS for overpayment of subsidies.
2. A detailed explanation of the situation involving problems with potential enrollees' immigration status. This would include, but is not limited to, the scope of the problem, the number of individuals or families affected, the types of errors or inaccuracies that have occurred, and steps that will be taken to solve these problems.

In addition to the briefing, please provide the following documents no later than June 2, 2014:

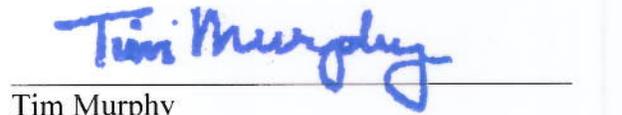
1. All documents, including communications, relating to, summarizing, or otherwise describing matters relating to the payment of subsidies.
2. All documents, including communications, relating to, summarizing, or otherwise describing matters relating to potential enrollees' immigration status.
3. All documents, including communications, between employees or representatives of HHS, CMS, or CCIIO and employees or representatives of the White House, and any other organization, entity, or person that has been involved in addressing the issues described in this letter.

Please note that our requests for information and documents apply to the FFM as well as the State Based Marketplaces. Thank you for your prompt attention to this matter. If you have questions or wish to discuss this request, please contact Karen Christian or Sean Hayes with the committee staff at (202) 225-2927.

Sincerely,



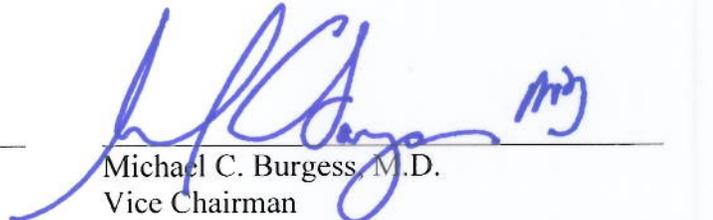
Fred Upton
Chairman



Tim Murphy
Chairman
Subcommittee on Oversight and Investigations



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Subcommittee on Oversight and Investigations



Joe Barton
Chairman Emeritus



Marsha Blackburn
Vice Chairman

cc: The Honorable Henry Waxman, Ranking Member

The Honorable Diana DeGette, Ranking Member
Subcommittee on Oversight and Investigations

The Honorable Frank Pallone, Jr., Ranking Member
Subcommittee on Health