

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

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6115

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

May 19, 2014

Edward J Casey, Jr.
Chairman and CEO
Serco, Inc.
1818 Library Street
Suite 1000
Reston, VA 20190

Dear Mr. Casey:

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* identified Serco as the federal contractor who 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 those applications—approximately 1 million—that present questions about citizenship status. In order to better understand the implementation of the PPACA and your company’s role in correcting these inaccurate payments, please have the individuals responsible for leading this work provide a briefing to committee staff no later than June 2, 2014. The briefing should address the following:

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.

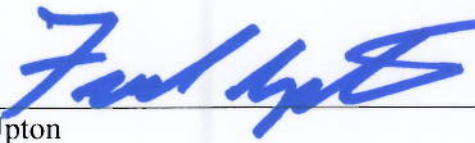
1. A detailed explanation of the situation involving the payment of incorrect subsidies. This would include, but is not limited to, the scope of the problem, the number of individuals or families affected, the types of errors or inaccuracies that have occurred, and steps that will be taken to solve these problems.
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.
3. When your company first became aware of the problem of inaccurate subsidy payments or immigration status determinations. This would include knowledge of any and all individuals within your organization that have discussed with administration officials this problem and the substance of those communications.
4. Any other problems related to your work on the FFM, State Based Marketplaces, or any other health care projects that the administration has yet to make public.

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

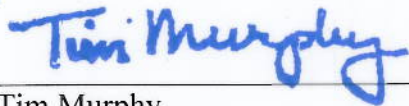
1. All documents, including communications, relating to, summarizing, or otherwise describing matters relating to the payment of subsidies.
2. All documents, including communications, relating to, summarizing, or otherwise describing matters relating to potential enrollees' immigration status.
3. All documents, including communications, between employees or representatives of your organization and employees or representatives of the White House, Department of Health and Human Services, the Centers for Medicare and Medicaid Services, the Center for Consumer Information and Insurance Oversight, and any other organization, entity, or person that has been involved in addressing the issues described in this letter or any other problem related to the FFM, State Based Marketplaces, or any other health care projects that the administration has yet to make public.

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,



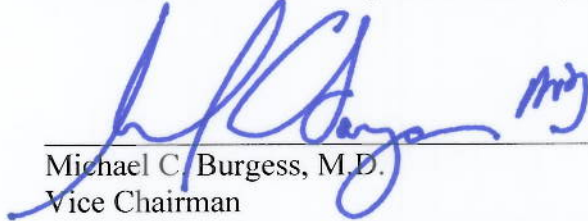
Fred Upton
Chairman




Tim Murphy
Chairman
Subcommittee on Oversight and Investigations




Joe Pitts
Chairman
Subcommittee on Health



Michael C. Burgess, M.D.
Vice Chairman
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