

**Opening Statement of the Honorable Fred Upton  
Subcommittee on Health  
Hearing on “PPACA Pulse Check: Part 2”  
September 10, 2013**

*(As Prepared for Delivery)*

Three weeks from today the Affordable Care Act’s exchanges open for enrollment, but as October 1st fast approaches the American people continue to ask, “is the administration truly ready?”

On August 1st, CMS Administrator Tavenner testified before the Full Committee on the implementation of the health law. In her testimony, she assured the committee that despite numerous delays of the law, the exchanges were on schedule and the administration would be ready to enroll Americans in new health plans beginning October 1st. She was also confident that all other provisions of the law were on track. Yet a report published by an independent government watchdog the very next day revealed that security testing for the exchange data hubs was actually months behind.

We are now three weeks from the exchanges opening for enrollment, and questions and uncertainties continue to overwhelm. Issues related to readiness testing and functionality of the exchanges have yet to be addressed. Missed deadlines, delays, and untimely guidance will affect critical components of the exchanges, including eligibility determinations, integration with existing state programs, and coordination among agencies.

This uncertainty is also real for employers. The delay of the employer mandate may provide employers with more time, but it does not provide answers or eliminate burdens. Under the law, employers are still asked to provide government-approved coverage or pay a penalty, and the reporting requirements have not been altered, only delayed. Guidance on how reporting requirements will be administered has not been made available, leaving employers in the dark on how to plan for 2015.

I have heard firsthand from Southwest Michigan employers like Lake Michigan Mailers and ServiceMaster on how the law’s costly mandates and penalties are harming business operations and health care for their workers. In another case, Kalamazoo-based manufacturer Stryker Corporation has announced that it will reduce its global workforce by approximately 5 percent, or 1,000 employees, in order to absorb the law’s new domestic medical device tax. Unfortunately, these are not isolated incidents as countless job creators across the country are facing similar scenarios.

This committee has conducted ongoing oversight on the health law’s implementation, and since January 2011, we have held numerous hearings to ensure the American public has the information they need. Our work will continue well beyond October 1st but this hearing is another opportunity for us to get answers for our constituents and better understand what lies ahead in the coming weeks.

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