

Opening Statement of the Honorable Tim Murphy
Subcommittee on Oversight and Investigations
Hearing on “Two Weeks Until Enrollment: Questions for CCIO”
September 19, 2013

(As Prepared for Delivery)

In less than two weeks enrollment in qualified health plans under the Patient Protection and Affordable Care Act will begin. Today we hope to discuss the many challenges and issues that may arise over the coming weeks. Most of the concerns about the law currently can be reduced to one question: “Is the administration ready?”

Since passage of the president’s health care law, the administration has consistently told us that the government will be ready when open enrollment begins on October 1 and the exchanges start on January 1. Yet, our experience has shown that rosy predictions about the future of the health care law often give way to the results of the administration’s rushed and rocky implementation.

The law is so problematic that half of it was simply done away with for a year. While individuals must comply with the law’s requirements starting on January 1 or a pay a penalty, this is not so for businesses and companies who were able to delay the employer mandate for a year. Despite the administration’s promises about lower premiums, evidence continues to mount that some individuals will face extreme rate hikes when the exchanges open – as much as double the price they are currently paying. Finally, the administration’s promise that “if you like your coverage you can keep it” rings especially hollow now, with news reports almost every day about businesses moving the spouses and families of their employees, or their retirees, onto the exchanges. If the president’s promises were true, we wouldn’t hear stories about major airlines losing million of dollars to the health care law, and we wouldn’t hear about the spouses of thousands of employees losing their coverage.

Meanwhile, any sort of oversight over the health care law remains taboo for the law’s defenders. Last month, this Committee sent letters to many of the recipients of federal funding to participate in the Navigator program under the law. We asked some fairly basic questions: how many people are you hiring? What are you paying them? Are you performing background checks? We should expect that groups receiving federal dollars to enroll people in exchanges should have answers to these questions, as enrollment begins in less than two weeks. In the course of this investigation, this Committee has had many productive calls with recipients of Navigator funding—in fact, many of the organizations were prepared to answer our questions and we believe will be able to properly perform their Navigator duties.

Yet, we have also seen that the Navigator program, like many of the programs created by the president’s health care law, has been impacted by the administration’s delay in implementing the law. According to a GAO report issued in June, the administration issued the Navigator grants two months behind schedule. The administration had planned to issue the first round of awards in June – they didn’t end up issuing them until August. The administration had originally planned to begin Navigator training in July – but HHS did not finalize the training program until August 29. This delay naturally reduced by almost half the time available to Navigators to begin training and preparing for enrollment.

Today, we will ask Mr. Gary Cohen, the Director of the Center for Consumer Information and Insurance Oversight, to explain how the abbreviated training schedule for Navigators will affect the program. We will also ask Mr. Cohen to address some of the concerns we have identified in our review of the grant applications. We learned that some Navigators are planning on going door-to-door to conduct enrollment activities. A report issued yesterday by the Oversight and Government Reform Committee indicates that CCIO representatives are aware of problems linked to door-to-door outreach activities, such as scammers knocking on doors and falsely representing they are Navigators. And yet, this activity is still permitted under the Navigator program.

We have also learned that the return on taxpayer dollars varies wildly among Navigator grant recipients. The administration is paying one Navigator \$80,000 to enroll...312 people. That's \$80,000 of taxpayer funding to enroll not even a person a day. On the other hand, other groups clearly have incredibly high expectations: another application estimated that they would enroll approximately 75 percent of the individuals directly contacted, resulting in hundreds of thousands of enrolled individuals.

Our concerns over the safety of consumer data and health information remain as well. One Navigator plans to "survey and track . . . those who attend community meetings" and another promises additional pay if a Navigator enrolls a certain amount of individuals. Meanwhile, one Navigator told Committee staff that they believe background checks are important, yet these are not a required action.

Our responsibility in conducting oversight of federal programs is to identify waste, fraud, and abuse. In the best case, asking questions about federal spending and shining a light on programs can identify problems before taxpayer dollars are wasted – and allow those problems to be corrected. A "wait and see" approach to oversight of the health care reform law does not seem appropriate when its implementation has been regularly botched by delays and uncertainty.

I welcome Mr. Cohen and I look forward to asking him questions about what we can expect in the coming weeks.

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