

Chairman Jack Kingston
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies
House Committee on Appropriations
FY 2015 Budget Hearing: Department of Health and Human Services
March 13, 2014
Opening Statement As Prepared

Madame Secretary, I welcome you to the subcommittee on Labor Health and Human Services to review your fiscal year 2015 budget request to Congress. I am glad we were able to reschedule this hearing and thank the subcommittee members for being flexible in adjusting to your demanding schedule.

As a reminder to the subcommittee and our witness, we abide by the 5 minute rule in our hearing to accommodate multiple rounds of questions.

I would first like to highlight some concerns I have found in your budget submission to Congress. First, the Administration's budget proposed to spend \$56 billion over the agreed upon budget caps, proposes to shift many programs from the discretionary side of the budget to the mandatory ledger, and relies on user fees to fund programs such as a \$1.2 billion Obamacare user fee. These budget gimmicks are a disingenuous approach to federal budgeting and disguise the true cost of your proposals to the American people.

Most concerning is the out of control spending on Obamacare. Last year, you estimated the cost of implementing Obamacare was between \$5 billion and \$10 billion for HHS and all other agencies.

In spite of this incredibly vague range, it's clear based on your new budget request, this figure is greatly underestimated.

- Your FY15 Request assumes \$430 million in a brand new mandatory account to be used for CMS Program Management.
- You also assume you will collect \$1.2 billion next year from user fees, which are simply hidden taxes on every Americans health care.
- And finally, you assume \$639 million in annually appropriated discretionary dollars will be used to support the exchanges in FY15.

All of this totals \$2.2 billion; \$643 million more than last year, an increase of 41% over the FY 2014 level.

But then I read further and see there are many more costs to administer the program that don't show up in the discretionary budget. These include funds to operate State Exchanges, the Consumer Operated and Oriented Plan, the Transitional Reinsurance Program, the Risk Adjustment Program, and redistribution of funds through the Risk Corridors program.

Based on the full request, it appears it cost taxpayers more than \$23 billion in FY15 to run Obamacare. This is a lot more than the vague \$5-\$10 billion you quoted last year.

If I can put this \$23 billion in context, assuming the Administration reached the optimistic estimate 8 million enrollees, the *federal administration burden alone* comes out to \$3,000 per person.

It's important to keep in mind that you are asking for all this money to be spent on a law you and the President refuse to implement as written, to be funded through accounts you refuse to be transparent about, and this is all in addition to the increased premiums, deductibles, co-pays, taxes, and penalties Americans are facing because of Obamacare.

This misguided law is over budget, underperforming, and has failed its two objectives to increase access and reduce the cost of care – Obamacare is simply broken. Its performance is in stark contrast to the President's promise that family premiums were going to be reduced by \$2,500 under Obamacare. Your Administration has made over 20 changes to Obamacare including two waivers to the employer mandate, expansion of premium assistance to those outside the federal exchanges, allowing non-compliance health plans, and violating individual rights by mandating abortion coverage. We must remain accountable to the American people.

Before we begin, I would like to yield the floor to my Ranking Member for her opening statement.