

Statement of Chairman Jim Jordan
Subcommittee on Economic Growth, Job Creation and Regulatory Affairs
Committee on Oversight and Government Reform

Federal Implementation of ObamaCare: Concerns of State Governments

September 18, 2013

Three-and-a-half years ago, a Democratic Congress jammed ObamaCare through the Congress without a single Republican vote.

ObamaCare has only grown increasingly unpopular as Americans have learned more about it. In fact, in a new poll, over half of Democrats believe that ObamaCare is going to harm their health care.

I believe ObamaCare should be repealed because it is bad law and bad policy. Here is what we know so far about ObamaCare that has led me to this conclusion.

First, ObamaCare significantly increases the size and power of the Federal Government.

- ObamaCare tasks the IRS with implementing and enforcing at least 47 new provisions, including 18 new taxes. These taxes are expected to raise \$1 trillion dollars over the next decade. Just this year, the IRS has requested nearly \$500 million to enforce ObamaCare, including 2,000 new full-time employees.
- The Administration's implementation of ObamaCare has already added over 10,000 pages of regulations to the Federal Register.

Second, ObamaCare has harmed the economy and job growth by leading employers to drop coverage and cut the hours of their workers.

- The *Cleveland Plain Dealer* reported that many colleges, universities, and town governments are limiting the hours of part-time workers to under 30 hours to stay under the employer mandate threshold.
- Regal Cinemas, one of the largest movie theatre chains is reducing many workers to less than 30 hours per week because of ObamaCare.
- This Committee has heard testimony from numerous owners over the past two years about how they will be forced to lay off workers because of ObamaCare.
- Leaders of three major unions wrote the President last week demanding significant changes to ObamaCare. They wrote that the Administration's implementation of ObamaCare will "destroy the foundation of the 40-hour work week that is the backbone of the American middle class."

Third, ObamaCare has disrupted Americans' health insurance coverage and reduced choices.

- Kroger, a major supermarket chain, recently announced that it would no longer provide health coverage to spouses of 11,000 employees working in Indiana.
- UPS is dropping coverage for the spouses of 15,000 workers, citing increased costs from ObamaCare.
- The University of Virginia told employees that they would stop offering spousal coverage because of Obamacare.
- Trader Joe's told their part-time employees that they would no longer offer health benefits for part-time workers.
- Howard Dean, writing in the *Wall Street Journal*, criticized ObamaCare's Independent Payment Advisory Board writing: "The IPAB is essentially a health-care rationing body." Moreover Dean argues that "...these kinds of schemes do not control costs. The medical system simply becomes more bureaucratic."

Fourth, ObamaCare's centralized data collection apparatus and poorly planned and managed outreach campaign exposes Americans to significant risks of identity theft and fraud.

- Although open enrollment is two weeks away, the Ohio department of insurance has yet to receive any navigator applications or certify any individuals for this formal outreach effort. This raises concerns that many Navigators will not be adequately trained to conduct outreach.
- Last week, the Minnesota health insurance exchange admitted that an employee mistakenly released confidential information on 2,400 brokers, including Social Security numbers and addresses.

As the Administration has learned, implementing a deeply unpopular law is very difficult.

The witnesses here today are working hard to understand the law and minimize the law's damage on their populations. These witnesses are from the two-thirds of states that opted not to create a health insurance exchange, largely because of inflexible rules and objections to the law's complicated and expensive mandate, regulation, tax, and subsidy scheme.

This work is difficult because of the failure of the Administration to promptly respond to state concerns and questions as well as significant delays in regulation and guidance. I am deeply grateful that they have come to share their stories about their concerns with the Administration's implementation of ObamaCare.

Finally, in an editorial last month, the Chicago Tribune, a paper that endorsed President Obama twice, called to "delay and rewrite this ill-conceived law. Congress need not start from scratch. Lawmakers can build on what all of us have learned from three years of painful trial and error.

Three years of attempting, but failing, to make this clumsy monstrosity work for the American people.”

I look forward to hearing the witnesses’ perspective on this debate and am grateful that my Democratic colleagues choose not to boycott the hearing. It is important for the Democrats in the Congress to hear about the very real concerns and challenges that states are confronting in implementing this law and not to pretend that they don’t exist. Today’s hearing is also a reminder that a one-size fits all federal solution to most problems is far less effective than state-based approaches.

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