

Statement of Chairman James Lankford
Subcommittee on Energy Policy, Health Care and Entitlements
Committee on Oversight and Government Reform

Federal Implementation of ObamaCare: Concerns of State Governments

September 18, 2013

In the past month, I have personally spoken with a Dad who told me his high school graduate son cannot find a job that will hire him for more than 29 hours a week.

I spoke with a Mom who brought me her late-20-something son's insurance paperwork, which notified him that his health premiums will increase from just over \$200 a month to over \$800 a month in January.

I talked to a family struggling with their family business because they cannot afford the mandates, but they also cannot sell the business they worked so hard to build.

The high-risk pools hit their max in March of this year, preventing anyone else from entering the high-risk pool.

No one disputes that there were concerns with the U.S. healthcare system that predate Obamacare. Chief among those concerns is that the rising cost of health care was crowding out other items in family budgets and contributing to massive federal budget deficits.

Obamacare was designed to fix three problems by reducing the cost of medicine, providing universal coverage for every American and increasing the quality of health care in America.

Americans were told over and over that if they liked their doctor or their insurance, they could keep them.

After decades of work, union members are furious at the changes to health benefits and the traditional 40-hour work week.

While Congress passed the law three years ago, implementation of the law has been mired with one problem after another. According to a report by the Congressional Research Service, the Administration has missed approximately half of Obamacare's required deadlines. A recent GAO report on state progress with exchanges found that "compressed timeframes" and "a lack of clear federal requirements related to the federal data services hub" presented major IT challenges to opening their exchanges for enrollment on October 1, 2013.

Two months ago the Administration delayed Obamacare's employer mandate and several reporting requirements. Although I believe the employer mandate is bad policy, the effect of this unilateral delay by the Administration will be that exchanges will have greater difficulty verifying whether individuals have an offer of coverage at work, thus exposing taxpayer to the risk of significant spending on subsidies for those not qualified to receive them. Moreover, the

Administration only delayed the employer mandate. Individual citizens are still liable for the penalties, but businesses are not liable.

State leaders from across the country have complained that the Administration has not adequately responded to their questions and concerns. Since many states have part-time legislatures that are only in session during the spring, HHS's failure to issue timely guidance harms state ability to implement the law and better protect its citizens from its harmful aspects.

Today, we are pleased to hear the testimony of state officials involved in much of the day-to-day work in preparing their respective states for the start of Obamacare. We have with us today Lieutenant Governor of Kansas Jeff Colyer, M.D., Florida State Representative Matthew Hudson, Secretary of the Department of Health and Hospitals from the State of Louisiana Kathy Kliebert, and Attorney General for the State of South Carolina Alan Wilson.

Yesterday, the Democrats on the Committee threatened not to participate in the hearing unless we invited eight of their selected witnesses. Since normally the Minority only selects one witness and even the Majority only had four witnesses, it seemed like a fairly audacious request. But, we did not want members of a committee tasked with oversight to walk out and fail to hear the serious struggles states are experiencing as a result of the Administration's implementation of ObamaCare, so we made the unprecedented accommodation to let them invite the same number of witnesses as the Majority. Members should not walk away from states struggling to implement Obamacare. We should listen to their concerns and try to find solutions.

One area that will be explored today is the Administration's Navigator and Assister programs. One of the witnesses here today, Attorney General Wilson from South Carolina, along with 12 other Attorneys General, sent a letter to Secretary Sebelius on August 14th asking questions about the Navigator outreach program. As is the pattern, the Administration has not yet responded. In fact, I spoke yesterday with healthcare leaders in my own state, and they informed me that they cannot get answers from HHS. The Navigators they speak to have no idea what is happening, and we are only days away from the October 1 launch date.

Fortunately, the Committee has conducted oversight of the Navigator and Assister program. I would like to introduce into the record a preliminary staff report on our findings related to the Navigator and Assister programs. These findings were largely based on transcribed interviews with top HHS officials and internal HHS documents produced to the Committee.

This report shows that the Navigator and Assister programs are rife with mismanagement and carry the risk that a large number of Americans could fall victim to fraud and identity theft:

- Top HHS officials admitted that the Administration failed to conduct any analysis about whether or not it should require all individuals hired by Navigator and Assister organizations to pass a background check and be fingerprinted.
- The Administration decided to leave the responsibility for authenticating Navigators and Assisters to the organizations receiving the grants to implement the programs. As a

result, the federal government will not be able to provide consumers with a list of individuals officially certified as Navigators and Assisters.

- HHS officials deemed several marketing activities inappropriate, including door-to-door solicitation and direct phone calls but have not taken steps to ban them.
- HHS allows Navigator and Assister organizations to pay their employees based on the number of individuals they enroll, which creates an incentive for those employees to provide biased or incomplete information about ObamaCare to maximize enrollment.
- Individuals employed by Navigator and Assister organizations do not have to disclose that they are paid per enrollee to individuals with whom they interact.

Every program in the federal government needs oversight. That should also apply to the newest program in government, Obamacare. While our nation spends billions, it is reasonable to ask if it is going well and accomplishing what it was designed to do.

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