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4 ``PATIENT PROTECTION AND AFFORDABLE CARE ACT: IMPLEMENTATION

5 IN THE WAKE OF ADMINISTRATIVE POLICY''

6 THURSDAY, JULY 18, 2013

7 House of Representatives,

8 Subcommittee on Oversight and Investigations

9 Committee on Energy and Commerce

10 Washington, D.C.

11 The Subcommittee met, pursuant to call, at 2:34 p.m., in
12 Room 2123 of the Rayburn House Office Building, Hon. Tim
13 Murphy [Chairman of the Subcommittee] presiding.

14 Members present: Representatives Murphy, Burgess,
15 Blackburn, Gingrey, Scalise, Harper, Olson, Gardner,
16 Griffith, Johnson, Long, Ellmers, Barton, Upton (ex officio),

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17 DeGette, Schakowsky, Butterfield, Castor, Tonko, Green, and
18 Waxman (ex officio).

19 Staff present: Mike Bloomquist, General Counsel; Sean
20 Bonyun, Communications Director; Matt Bravo, Professional
21 Staff Member; Karen Christian, Chief Counsel, Oversight;
22 Noelle Clemente, Press Secretary; Andy Duberstein, Deputy
23 Press Secretary; Paul Edattel, Professional Staff Member,
24 Health; Julie Goon, Health Policy Advisor; Brad Grantz,
25 Policy Coordinator, Oversight and Investigations; Sydne
26 Harwick, Legislative Clerk; Brittany Havens, Legislative
27 Clerk; Sean Hayes, Counsel, Oversight and Investigations;
28 Andrew Powaleny, Deputy Press Secretary; John Stone, Counsel,
29 Oversight; Tom Wilbur, Digital Media Advisor; Brian Cohen,
30 Democratic Subcommittee Staff Director, Senior Policy
31 Advisor; Hanna Green, Democratic Staff Assistant; Elizabeth
32 Letter, Democratic Assistant Press Secretary; Stephen
33 Salsbury, Democratic Special Assistant; and Matthew Siegler,
34 Democratic Counsel.

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|
35 Mr. {Murphy.} Good afternoon. I convene this hearing
36 of the Subcommittee on Oversight and Investigations.

37 We are here today to discuss the Administration's recent
38 decision to delay a substantial portion of the health care
39 law, the requirement that businesses with over 50 employees
40 provide coverage to their employees. This decision was
41 announced quietly, just before the July 4 holiday, through a
42 blog post.

43 Valerie Jarrett, one of the President's top advisors,
44 stated that the Administration had delayed the employer
45 mandate tax because it was ``listening'' to employers who had
46 complained about the law's burdens and costs.

47 In the 3 years since the President's health care law was
48 enacted, this committee has also been listening and we have
49 heard this Administration repeatedly tell us that ``all is
50 well.'' The exchanges would be ready to go live in October.
51 Never once did the Administration officials suggest that a
52 key underpinning of the law, the requirement that employers
53 report offer federally-approved health benefits and pay extra
54 taxes if they didn't, would be delayed.

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55 As soon as the Treasury Department announced this
56 decision in a blog post, the committee sent a letter asking
57 for some basic information to understand how and why this
58 decision was made. The Executive Branch, the President, has
59 a constitutional duty to faithfully execute laws passed by
60 Congress.

61 Both the Treasury Department and White House have said
62 the decision to delay the employer mandate was made after
63 engaging in a discussion with employers. Yet, in a July 9
64 letter to our committee, the Treasury Department did not
65 answer the committee's question about who spoke to reach this
66 decision--about who they spoke with to reach this decision.
67 Why did the Administration give businesses a waiver from the
68 law for a full year, but force families to comply with the
69 law now or pay a new tax? Where is the waiver for America's
70 families?

71 This delay in the employer mandate tax is not the first
72 clue that implementation of the Affordable Care Act is
73 becoming a massive failure. In April 2011, more than 1,400
74 organizations and employers providing health insurance to 3.1
75 million Americans were granted waivers from the ACA's

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76 mandates for one year. By January 2012, those 1,400 waivers
77 were automatically extended for 2 more years, and now, every
78 employer in America gets a waiver from the employer mandate
79 tax. The American people, however, get no waiver from the
80 mandates, the taxes, and burdens of this law.

81 It is interesting that the Treasury Department chose to
82 explain that the employer mandate was delayed for two
83 reasons: first, it will allow the Administration to find ways
84 to simplify the reporting requirements in the law. Second,
85 this provides time to adapt reporting systems. These same
86 reasons support a delay for the individual mandate.

87 Treasury's position that a delay is necessary because
88 additional time is needed to adapt reporting systems sends a
89 troubling signal about how the Administration's lack of
90 progress is affecting implementation of the law. How the
91 exchanges will operate next year appears now to be a far cry
92 from what the law envisioned. It also raises questions about
93 another recent delay by the Administration, also announced
94 over the July 4 holiday: Health and Human Services' decision
95 to scrap the income and coverage verification requirements
96 for 2014.

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97 I am sure today we will also hear a great deal about the
98 news that New York's premiums may be lower. This isn't
99 surprising: New York has the most heavily regulated and often
100 the most expensive health care market in the country, so of
101 course when you force every American to buy that expensive
102 product, the cost may go down. I certainly am not going to
103 be heading home to my district and saying congratulations,
104 you now get to pay Manhattan prices in Pennsylvania.

105 Enrollment in the exchanges will begin in just over 70
106 days. It is important that every American understands how
107 this system will work. So testifying before the committee
108 today is J. Mark Iwry, Senior Advisor to the Secretary and
109 Deputy Assistant Secretary for Retirement and Health Policy
110 at the U.S. Department of the Treasury. So I welcome you, Mr.
111 Iwry, and I hope that you can provide specific answers to the
112 committee members' questions about Treasury's decision and
113 whether we can expect additional delays.

114 Now yesterday the House of Representatives voted to do
115 two things. First, the House voted to codify the President's
116 ability to delay the employer mandate, and second, it voted
117 to offer this same option, the one given to America's

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118 businesses, to American families. Whether or not you agree
119 on this policy, as an oversight subcommittee, we need to
120 understand the basis for the Administration's decisions to
121 delay or postpone the Act's requirements. As reports mount
122 that the exchanges and states are not prepared to fully
123 implement this law, it seems likely that the Administration
124 will again find itself in the position of wanting to grant
125 additional delays of the law's requirements. Examining the
126 basis for these decisions, and how they will be made, is the
127 job of this subcommittee, and that is the reason for having
128 this hearing today.

129 I only have a few seconds left, but I yield to the vice
130 chairman, if he has any--

131 [The prepared statement of Mr. Murphy follows:]

132 ***** COMMITTEE INSERT *****

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133 Dr. {Burgess.} I will submit them.

134 Mr. {Murphy.} He will submit them for the record.

135 All right, I now recognize the ranking member for 5
136 minutes.

137 Ms. {DeGette.} Thank you very much, Mr. Chairman.

138 I am very pleased that we have started having oversight
139 hearings on the implementation of the Affordable Care Act. I
140 think it is an important role for the committee to play, and
141 I also think as we go forward, it would be really
142 constructive for us to begin having hearings on not just
143 overall should we have the ACA or not, but rather, to drill
144 down into some of the particular issues like we did a couple
145 of weeks ago, when we did have small businesses come in here
146 to this committee to talk to us about some of the challenges
147 that they were facing.

148 I wish, though, that we were pursuing some of this
149 oversight in a less hyperbolic fashion, as we just heard.
150 Frankly, when the Administration announced a couple of weeks
151 ago that they were delaying the employer mandate, it took
152 many of us on this side of the Aisle by surprise, as well as

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153 on your side of the Aisle. But frankly, thinking about that
154 panel of small businesspeople that we had here, one might
155 argue that the Administration was just listening to some
156 businesses about some very real issues that they had. Not
157 that I would expect anybody on your side of the Aisle to give
158 the Administration any credit for that.

159 I do think, though, that we should put all of this into
160 context, because while this one particular part of the law
161 has been delayed for a year, there is a lot more that is
162 going to be going on in implementation and a lot that will
163 help the American public. I would like to talk a little bit
164 about that.

165 First of all, the delay of the employer mandate does not
166 impact the 95 percent of large employers that are already
167 offering insurance to their employees. Let me say that
168 again. Ninety-five percent of large employers are already
169 offering coverage to their employees, and that will continue
170 to happen. Also, the delay of the employer mandate does not
171 impact the millions of low income, uninsured Americans who
172 will be newly eligible for the Medicaid program, at least in
173 the states where the governors have not turned down the

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174 opportunity to provide fully funded coverage to their
175 citizens. And the delay won't impact the state or federal
176 exchanges, the heart of the health care law. Beginning in
177 October, millions of Americans will be able to go to the
178 exchanges, shop for the best insurance coverage for
179 themselves and their family in a transparent, competitive
180 market, and be protected from the worst abuses of the
181 insurance industry. They won't have to worry about
182 rescissions or denial of coverage if they become ill or
183 injured, or if they have a preexisting condition.

184 And this is really key when you talk about should we
185 delay this for a year for individuals. Those people, people
186 who want insurance who can now go to the exchanges and get
187 that insurance, will be eligible for billions of dollars in
188 premium subsidies and tax credits to help make that health
189 insurance affordable. So I would say, why would we delay
190 that for people who really want to get affordable insurance,
191 not just in New York, but in Pennsylvania and Colorado and
192 all around this country?

193 The benefits of the law will be real and significant.
194 The reports released by the democratic staff show yesterday

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195 that in Colorado, for example--or I am sorry, in my district,
196 in the 1st District of Colorado, over 120,000 people who
197 don't have health insurance now will have access to quality,
198 affordable coverage without fear of discrimination or higher
199 rates. And if it wasn't so important, I would have almost
200 had to laugh yesterday when the response to the
201 Administration's announcement was to vote yet again to repeal
202 the Affordable Care Act. The main talking point seemed to be
203 relief, but in fact, the public needs to get insurance and it
204 needs to get it affordable. I don't think that relief means
205 taking health care coverage away from millions of Americans.
206 I don't think that it means eliminating billions of dollars
207 in tax credits and subsidies. I don't think that it means
208 leaving millions of American children and adults with
209 preexisting conditions at the tender mercies of the insurance
210 companies. And I don't think that it means eliminating or
211 delaying provisions of the law that are helping to keep costs
212 under control.

213 Now, you can pooh-pooh this article about the rates--the
214 premium rates in New York State, and maybe you could if that
215 was the only state in which the premiums were going down.

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216 But in fact, we have seen across the country that as these
217 preliminary rates come in, they are lower, and in fact, in
218 some cases, the insurance companies are actually asking to
219 rebid in the exchanges. And so I think we need to continue
220 to try to tune this up. I read an article today when the
221 Republican majority passed the Part D Medicare provisions
222 about 10 years ago, there was a lot of confusion. All of us
223 worked together to make those work. It was rocky at first,
224 but it worked, and now over 90 percent of seniors love those
225 protections. That is what we should be striving for in a
226 bipartisan way today.

227 I want to thank you for having the hearing, but I think
228 we need to move on from this, and I yield back. Thank you.

229 [The prepared statement of Ms. DeGette follows:]

230 ***** COMMITTEE INSERT *****

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|
231 Mr. {Murphy.} Gentlelady yields back. Now recognize
232 the chairman of the full committee, Mr. Upton, for 5 minutes.

233 The {Chairman.} Thank you, Mr. Chairman.

234 Yesterday the House did give--vote to give to every
235 American the same option the Administration gave to the
236 business community: the ability to delay the impact of the
237 health care law on their family for a year.

238 It is the right thing to do. Individuals, like
239 businesses, are subject to reporting requirements, costs,
240 penalties under the Affordable Care Act. We believe that
241 individuals left to suffer in the looming rate shock deserve
242 the same treatment that the Administration awarded to
243 businesses, and I am glad the House voted in a bipartisan
244 manner to do it yesterday and I hope the Senate will follow.

245 As a committee with jurisdiction over this law, and its
246 implementation, we have a duty to hold the Administration
247 accountable for its decisions and to make sure that they are
248 transparent in the process which has sadly been missing
249 throughout the writing, passage, and implementation of the
250 health care law.

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251 A great deal of uncertainty surrounds the law.
252 Americans don't yet know how much their insurance will cost.
253 Reports indicate that the exchanges are behind schedule.
254 Deadlines have been delayed and missed entirely.

255 Today we are going to hear from Mr. Mark Iwry of the
256 Treasury Department on its decision to delay the mandate for
257 employers. I hope we will hear the complete story from the
258 witness today on how this decision was made, who made it,
259 what the record was before Treasury that prompted it to take
260 the action 2 weeks ago. Previous hearings before this
261 committee, Administration witnesses have looked us square in
262 the eye and assured us that the implementation of the
263 Affordable Care Act was, in fact, on track. Treasury's
264 decision to delay the employer mandate confirms that this is
265 not the case. And yesterday we learned the decision was made
266 in June and the Administration had been considering the delay
267 ``for a while.'' Why did the ``most transparent
268 Administration in history'' mislead Congress and try to
269 deceive the public? Because it knew that the law perhaps is
270 bad for business and also bad for jobs.

271 We now know that the Administration shamelessly waited

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272 for July 4 fireworks to provide a smokescreen for their
273 employer mandate bombshell. So we need to get a full
274 accounting of this decision, in the full light of day, so we
275 will be prepared for what comes our way once enrollment
276 begins on October 1.

277 One other point that I want to make. I see a lot of
278 public reports about those that support the Affordable Care
279 Act making companies--or making the comparisons to Part D,
280 the Prescription Drug Program, comparisons that show that it
281 is now rated very favorable among those people that
282 participate. I would remind my colleagues that Part D is
283 still a voluntary, not mandatory, program where folks can
284 change their plans literally every year, have dozens of
285 choices to make, and yes, there is no financial penalty for
286 failure to participate.

287 I yield now to Dr. Burgess.

288 [The prepared statement of Mr. Upton follows:]

289 ***** COMMITTEE INSERT *****

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290 Dr. {Burgess.} And I thank the gentleman for yielding.

291 It is of concern that on the evening of July 2, this
292 provision was suddenly repealed--or delayed. It became
293 especially of concern to me after hearing from Administration
294 officials here in this subcommittee that they would
295 definitely be ready to go with the Affordable Care Act on
296 time and without delay.

297 The questions are who discussed this delay? Were there
298 memos circulating within the departments? Were there secret
299 meetings with the White House? When did the Administration
300 start thinking about delaying the reporting provisions? And
301 what about the individuals that still must comply with the
302 mandate to purchase their health care coverage? Do they get
303 a delay as well?

304 The White House, the Treasury, Health and Human Services
305 continue to say all systems are go. No problems here,
306 nothing to look at. Move on. But actually, their actions
307 belie their words. And unfortunately, it is the American
308 people who will be left hanging in the balance.

309 If the gentleman from Texas would like time, I will

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310 yield to Mr. Barton.

311 [The prepared statement of Dr. Burgess follows:]

312 ***** COMMITTEE INSERT *****

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|
313 Mr. {Barton.} Well, I appreciate that.

314 My concern is that we have an Obama--presidential
315 Administration and President Obama that is constitutionally
316 required to implement all the laws, and in this case,
317 apparently chose to not implement a part of the very law that
318 it was so strongly for. So I am going to be asking
319 questions, where in the Constitution does it give the
320 President and the Treasury Department the ability to choose
321 to implement this part of a law but not that part of a law,
322 and if you only going to implement part, how can you be
323 expected to implement the rest of it?

324 I have also got some questions and concerns about this
325 decision to allow for self-attestation of income to comply
326 with some of the subsidies. Is the Treasury Department now
327 going to do away with the W-2 and W-4 forms and let the
328 entire country self-attest what our income is for purposes of
329 the income tax code? That is another question that I might
330 have, Mr. Chairman, but I do appreciate the time and I
331 appreciate the Treasury Department being here to participate
332 in this hearing.

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333 [The prepared statement of Mr. Barton follows:]

334 ***** COMMITTEE INSERT *****

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|
335 Mr. {Murphy.} Thank the gentleman. Gentleman's time is
336 expired, and now I will go to the ranking member of the full
337 committee, Mr. Waxman, for 5 minutes.

338 Mr. {Waxman.} Thank you, Mr. Chairman.

339 The Constitution says a law is something that is passed
340 by the Congress and signed by the President. And my
341 colleague just talked about the constitutional responsibility
342 of the President to uphold the law. What about the
343 constitutional responsibility of the Congress to make sure
344 that the laws work?

345 I was shocked when we had the debate on the House Floor
346 yesterday. A member stood up and said, ``I despise the
347 Affordable Care Act.'' What passion. What passion. What is
348 it they despise so much? It is the law. If they want to
349 change some of them, let's change it. But it just raises
350 real concerns about--in my mind about where this Republican
351 party is going. It is a state of mind that talks about
352 taking things away from people that they desperately want for
353 what purpose? Why should a state headed by a Republican
354 governor want to deny their poor people 100 percent funding

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355 for Medicaid and leave them with no coverage at all? Will
356 they have the hospitals and doctors say why not cover these
357 people? I don't care. We are going to punish them because
358 we want to punish President Obama. But they are punishing a
359 lot of people that did nothing to deserve this kind of
360 treatment.

361 Something has gone fundamentally wrong when a political
362 party tries to deny health insurance to millions of American
363 families just to advance its narrow partisan interest.

364 This law is going to go fully into effect. Millions of
365 Americans are already benefitting from its protections.
366 Millions more will, for the first time, have access to
367 quality, affordable health coverage.

368 Yesterday, my staff released a series of reports on the
369 benefits of this law in each congressional district in this
370 country. I have these reports, Mr. Chairman, for each member
371 of this subcommittee, and I would like to ask that they be
372 made part of the hearing record. Mr. Chairman?

373 Mr. {Murphy.} Without objection. I understand you have
374 those things, I just want to add something, but I will
375 mention it at the end of your time.

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376 Mr. {Waxman.} Well I have asked unanimous consent.

377 Mr. {Murphy.} Well let me just say I am not going to
378 object to the unanimous consent. I do add that I will note
379 that this report does not include information about expected
380 costs and insurance price increases--

381 Mr. {Waxman.} You can put your critique of it in the
382 record--

383 Mr. {Murphy.} No, I just want to ask unanimous consent
384 that we can put our Majority staff report from me on the
385 expected premium increases.

386 Mr. {Waxman.} I have no problem with that.

387 Mr. {Murphy.} Thank you.

388 [The information follows:]

389 ***** COMMITTEE INSERT *****

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|
390 Mr. {Waxman.} Today, the Department of Health and Human
391 Services released a new report finding that in contrast to
392 the rate shock predictions from Republicans, health insurance
393 plans under the Affordable Care Act will cost 18 percent less
394 than predicted. Small businesses can almost save 20 percent
395 over what they otherwise would have been paying for coverage.
396 I would like to ask that this report also be made part of the
397 hearing record. I will reserve that, because--

398 Mr. {Murphy.} Thank you. No, we will give you time
399 because I would like to find out what that report is.

400 Mr. {Waxman.} Okay. The fact sheets and the HHS report
401 document that the incredible amount of good this law is
402 already doing. But rather than acknowledging this and trying
403 to improve on any flaws, Republicans on this committee and in
404 the House have launched an unrelenting effort to destroy the
405 Affordable Care Act. Political analyst Chuck Todd said House
406 Republicans are ``trying to sabotage the law.'' Where does
407 the Constitution say that members of Congress are supposed to
408 sabotage a law that they didn't vote for?

409 USA Today described the actions of Republicans in the

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410 following way: ``Having lost in Congress and in court, they
411 are now using the most cynical of tactics: trying to make the
412 law fail. Never mind the public inconvenience and human
413 misery that will result.''

414 Yesterday, Republicans voted for the 38th time to repeal
415 or delay key parts of the health care law. Republican
416 governors around the country are refusing to take 100 percent
417 for their low income people for Medicaid. The same governors
418 are making implementation more difficult by refusing to take
419 the option of setting up health exchanges. Republicans in
420 the Congress have refused to provide a dime for
421 implementation of this law, and now they are attempting to
422 intimidate those who had worked with the Administration or
423 the non-profit group Enroll America to help educate the
424 public about the new benefits for which they are eligible
425 under the Obamacare. And I say that in a positive, not a
426 pejorative, way.

427 It does not have to be this way. When the Bush
428 Administration passed and implemented Medicare Part D,
429 Democrats and Republicans made sure the Administration had
430 adequate funding to implement the law. I voted against

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431 Medicare Part D. We could have done a much better job to
432 provide prescription drugs. I didn't prevail. The law was
433 passed. We worked to spread the word about the new Medicare
434 benefits that included a \$300 million public relations
435 campaign and a bus tour by Administration officials that
436 stopped in 100 cities.

437 The goal of this hearing is not to improve the law; the
438 goal is to sabotage the law, regardless of the damage
439 inflicted on the health care system or the millions of
440 American people who, for the first time, will be able to
441 receive affordable health insurance coverage. I think that
442 is the wrong approach, Mr. Chairman. The Affordable Care Act
443 is providing important benefits. I know Republicans said
444 they want to repeal it, and then replace it. They have never
445 given us a decent replacement. They are not talking about
446 anything constructive--

447 Mr. {Murphy.} I think the gentleman's time is expired.

448 Mr. {Waxman.} --it is all negative.

449 Mr. {Murphy.} Thank you.

450 Mr. {Waxman.} I yield back the balance of my time.

451 [The prepared statement of Mr. Waxman follows:]

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452 ***** COMMITTEE INSERT *****

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|
453 Mr. {Murphy.} I would now like to introduce our witness
454 for today's hearing. The Honorable Mark Iwry is a senior
455 advisor to the Secretary and Deputy Assistant Secretary for
456 Retirement and Health Policy at United States Department of
457 Treasury. In this capacity, he has reporting authority for
458 the Office of the Benefits Tax Counsel and provides advice
459 and counsel to the Secretary and the Assistant Secretary
460 regarding tax issues related to retirement savings, health
461 care, and employee benefits.

462 I will now swear in Mr. Iwry. You are aware that this
463 committee is holding an investigative hearing, and when doing
464 so has had the practice of taking testimony under oath. Do
465 you have any objections to testifying under oath?

466 Mr. {Iwry.} No, Mr. Chairman.

467 Mr. {Murphy.} The chair then advises you that under the
468 rules of the House and the rules of the committee, you are
469 entitled to be advised by counsel. Do you desire to be
470 advised by counsel during your testimony today?

471 Mr. {Iwry.} No, sir.

472 Mr. {Murphy.} In that case, if you would please rise

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473 and raise your right hand? I will swear you in.

474 [Witness sworn.]

475 Mr. {Murphy.} You are now under oath and subject to the
476 penalties set forth in Title 18, Section 1001 of the United
477 States Code. You may now give a 5-minute summary of your
478 written statement.

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479 ^TESTIMONY OF J. MARK IWRY, SENIOR ADVISOR TO THE SECRETARY,
480 DEPUTY ASSISTANT SECRETARY FOR RETIREMENT AND HEALTH POLICY,
481 U.S. DEPARTMENT OF TREASURY

482 } Mr. {Iwry.} Thank you, Chairman Murphy, Ranking Member
483 DeGette, members of the subcommittee. Good afternoon. I am
484 pleased to appear before you today.

485 As you know, on July 2, the Treasury Department
486 announced that it would provide a 1-year transition relief
487 period for 2014 with respect to three provisions of the
488 Affordable Care Act that the Act added to the internal
489 revenue code.

490 First, information reporting requirements for self-
491 insuring employers, insurance companies, and other entities
492 that provide health coverage. Second, information reporting
493 requirements for employers that are subject to the employer
494 shared responsibility provisions, and third, the employer
495 shared responsibility provisions.

496 On July 9, we published formal guidance, Notice 2013-45,
497 describing and providing this transition relief. Treasury is

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498 providing the transition relief after reviewing comments on
499 reporting requirements and related discussions, and comments
500 with employers and other stakeholders. Employers and their
501 representatives requested transition relief for 2014 because
502 of concerns about the difficulty or cost of complying with
503 the reporting requirements, the desire that reporting be
504 simplified, and the lead times necessary to adapt information
505 gathering and reporting systems and implement reporting
506 effectively.

507 We recognize that the vast majority of employers that
508 will need to do this reporting already provide health
509 coverage to their workers, and we want to make sure employers
510 will be able to comply with reporting effectively and
511 efficiently.

512 To address these concerns, Treasury announced that 2014,
513 an additional year, would be provided before the reporting
514 requirements began. This is designed to meet two primary
515 concerns raised by stakeholders. First, it allows for an
516 additional dialogue and consideration of ways to simplify the
517 new reporting process, consistent with effective
518 implementation of the law. Second, it gives employers more

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519 time, which many have requested, to adapt health coverage and
520 reporting systems as they move toward making coverage
521 affordable and accessible for their employees. Once
522 reporting rules have been issued, employers, insurers, other
523 reporting entities are encouraged to report voluntarily for
524 2014. Allowing time for real world testing of reporting
525 systems for 2014 will contribute to a smoother transition to
526 full implementation in 2015.

527 Employer reporting is integral to administration of the
528 employer shared responsibility provisions. Because of the
529 2014 transition relief, it generally will not be possible for
530 the IRS to match up the information from employers with the
531 information about individuals claiming a premium tax credit
532 for 2014. As a result, as further explained in my written
533 statement, the transition relief for reporting will make it
534 impractical to determine which employers owe shared
535 responsibility payments for 2014. Accordingly, we have
536 extended the transition relief to the employer shared
537 responsibility provisions so that no such payment will be
538 assessed in 2014.

539 In preparation, though, for the application of the

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540 reporting and employer responsibility provisions in 2015,
541 employers and others are encouraged to report voluntarily for
542 2014 and maintain or expand health coverage in 2014.

543 The transition relief provided in this notice is an
544 exercise of the Treasury's longstanding administrative
545 authority under the tax code. This authority has been used
546 to provide transition relief for taxpayers seeking to comply
547 with new legislation and to provide a wide range of other
548 guidance. In particular, on a number of prior occasions
549 across administrations, this authority has been used to
550 postpone the application of new legislation when immediate
551 application would have subjected taxpayers to unreasonable
552 administrative burdens or costs.

553 Finally, the transition relief does not affect employees
554 or other individuals' access to the premium tax credits
555 available beginning in 2014; nor does this transition relief
556 affect the effective date of other ACA provisions, including
557 the individual responsibility provisions and the insurance
558 market reforms.

559 While the 2014 transition relief for employer reporting
560 would make it impractical to implement the employer

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561 responsibility provisions, it would not have a comparable
562 impact on implementation of the individual responsibility
563 provisions, which as a practical matter, are necessary for
564 implementing the ACA’s insurance market reforms that
565 guarantee access to affordable insurance for individuals.

566 As you know, the Affordable Care Act is projected to
567 provide coverage for tens of millions of Americans. Together
568 with the other departments involved, Treasury is implementing
569 this Act to build on the progress already made toward better
570 and more affordable coverage. We welcome the opportunity to
571 further work with the committee to achieve these objectives,
572 and I look forward to answering your questions.

573 [The prepared statement of Mr. Iwry follows:]

574 ***** INSERT 1 *****

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575 Mr. {Murphy.} Thank you, Mr. Iwry. I will recognize
576 myself now for 5 minutes.

577 In your public posts in this law and in the information
578 submitted to this committee, you claim that you have
579 administrative authority to grant relief under the Internal
580 Revenue Code. Do you have the ability to utilize this
581 transition relief for the individual mandate?

582 Mr. {Iwry.} Mr. Chairman, we have not--

583 Mr. {Murphy.} It is a yes or no.

584 Mr. {Iwry.} Mr. Chairman, we have given a lot of
585 consideration to our authority--

586 Mr. {Murphy.} You do have the authority or not?

587 Mr. {Iwry.} We have not considered that question
588 whether we would have the authority to provide similar
589 transition relief with respect to the individual
590 responsibility.

591 Mr. {Murphy.} Well wait, so is it your position that
592 there are limits on the authority that prevent Treasury from
593 delaying the individual mandate, and if so, I mean, is there
594 any limits at all? Are you able to do anything with the

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595 individual mandate?

596 Mr. {Iwry.} There certainly are limits, Mr. Chairman,
597 to the Treasury's authority to provide this kind of
598 transition relief, and the limit--

599 Mr. {Murphy.} Do you have information there about some
600 of the burdens and costs involved with the individual mandate
601 or the business mandate? Do you have information in front of
602 you that you are referring to about some of those burdens and
603 costs for businesses and individuals?

604 Mr. {Iwry.} Mr. Chairman, we have considered the
605 burdens--

606 Mr. {Murphy.} Do you have information in front of you
607 on the burdens and costs for individuals and businesses?
608 That is a yes or no. Do you have information in front of you
609 on the burdens and costs--I am going to yield myself more
610 time, because you are not answering my question. Do you have
611 information in front of you on the burdens and costs for
612 individuals and businesses? That is a simple yes or no. I
613 just want to know.

614 Mr. {Iwry.} Yes, qualitative information.

615 Mr. {Murphy.} I would like you to submit that to the

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616 committee so that both sides have a chance to review that. I
617 am going to order that.

618 I am going to continue on here. So when you are looking
619 at individual costs in business, who looked at this authority
620 for Treasury to be able to make this decision that you can
621 waive these things for the individual? Who in your
622 department did that?

623 Mr. {Iwry.} Mr. Chairman, the Office of Tax Policy--

624 Mr. {Murphy.} Who? Were you involved in those
625 discussions?

626 Mr. {Iwry.} I was only tangentially involved, mainly.

627 Mr. {Murphy.} So communications were related to you
628 about those? Communications were made to you about the
629 content of those meetings, those discussions?

630 Mr. {Iwry.} That is correct, Mr. Chairman.

631 Mr. {Murphy.} We would like to see the notes, emails,
632 and things from those communications, because we would like
633 to find out about how this decision was made. Can you
634 provide that for the committee?

635 Mr. {Iwry.} I don't recall, Mr. Chairman, that there
636 were--whether there were written communications about that,

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637 but the Treasury Office of Tax Policy has for decades--

638 Mr. {Murphy.} We will cover history another time, sir.

639 I want you to focus on our questions. Things will go smooth

640 if that happens.

641 Before the announcement of the delay of the employer

642 mandate, did you do an analysis of the constitutionality of

643 the delay?

644 Mr. {Iwry.} I did not.

645 Mr. {Murphy.} Did anyone that you communicated with do

646 an analysis of constitutionality of the delay? For example,

647 have you reviewed any memoranda or participated in any

648 discussions at all about the authority to delay these

649 provisions in the Affordable Care Act?

650 Mr. {Iwry.} Yes, Mr. Chairman. The--

651 Mr. {Murphy.} What I would like you to do is submit for

652 the record information from those discussions.

653 I want to ask you, too, as long as we are on the topic

654 of waivers. I got a letter here from the International

655 Brotherhood of Electrical Workers, the Electrical Workers

656 Union, and it says that we cannot afford to sit on the

657 sidelines as this law imposes increased benefit costs, fees,

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658 and new taxes. If these concerns are not addressed, it is
659 likely that the majority of multi-employer health plans will
660 dissolve and that 26 million covered individuals will lose
661 the plans. They also managed to put a full-page ad--I think
662 this was in roll call--also addressed these issues to
663 Congress and to the President. So let me--this begs the
664 question, then, do you agree that implementation of the
665 Affordable Care Act is jeopardizing multi-employer plans and
666 the individuals they cover? I might add, Mr. Jimmy Hoffa
667 also published something in this, too. Do you agree that
668 multi-employer plans are in jeopardy here too for these 26
669 million Americans?

670 Mr. {Iwry.} Mr. Chairman, the multi-employer plans are
671 going to be able, we believe, to comply with this law in a
672 way that does not jeopardize coverage for--

673 Mr. {Murphy.} Well, Jimmy Hoffa from the Teamsters and
674 IBW and the National Electrical Contractors Association are
675 saying it does not, so will you be reviewing about giving
676 them a waiver as well?

677 Mr. {Iwry.} Mr. Chairman, there have been requests--

678 Mr. {Murphy.} Let me ask this. Do you have the

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679 authority to offer that waiver?

680 Mr. {Iwry.} We have not--what sort of waiver are you
681 referring to, Mr. Chairman, if I may ask?

682 Mr. {Murphy.} The kind of waivers you have been
683 offering other people. The kind of waivers you are offering
684 other people. I just want to know. I would like an answer
685 to this question, without being desultory here. So if they
686 like the 26 million--the coverage 26 million Americans have
687 through the unions, can they keep it? Do you have the
688 authority to waive that?

689 Mr. {Iwry.} Mr. Chairman, the coverage that members of
690 the plans sponsored by the multi-employer unions have is
691 coverage that they can keep.

692 Mr. {Murphy.} Mr. Iwry, Jimmy Hoffa, the Teamsters, IBW
693 and other groups are saying they do not, and I would like you
694 to submit an answer for the record of A) if you have the
695 authority to offer them waivers, and B), what they will be.
696 I know I am over time here, but I am sure the members will
697 follow up. I yield to Ms. DeGette for 5 minutes.

698 Ms. {DeGette.} Now Mr. Iwry, this--the Treasury delayed
699 the employer mandate, is that correct, by 1 year, correct?

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700 Mr. {Iwry.} Ms. DeGette, the Treasury provided
701 transition relief with respect to the--

702 Ms. {DeGette.} And delayed the--

703 Mr. {Iwry.} --employer responsibilities.

704 Ms. {DeGette.} Correct?

705 Mr. {Iwry.} Correct.

706 Ms. {DeGette.} And what section of the Internal Revenue
707 Code did they do that under?

708 Mr. {Iwry.} The transition relief is an exercise of the
709 Treasury Department's administrative authority under Section
710 7805(a).

711 Ms. {DeGette.} And what exactly does Section 7508--I am
712 sorry, 7805(a) say?

713 Mr. {Iwry.} Section 7805(a) of the Internal Revenue
714 Code provides that the Secretary shall prescribe all needful
715 rules and regulations for the enforcement of this title,
716 including all rules and regulations as may be necessary by
717 reason of any alteration of law in relation to internal
718 revenue.

719 Now what that means in this context, Congresswoman, is
720 not that it gives Treasury authority to ignore the statute or

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721 parts of the statute, but rather that it allows us to
722 implement the law more effectively, specifically--

723 Ms. {DeGette.} Okay, let me stop you right there, and
724 let me ask you, to your knowledge, does Treasury intend to
725 take any other steps under Section 7805(a) to delay any other
726 provisions of the Affordable Healthcare Act? Are you
727 contemplating using what you view your authority under the
728 Act to delay any other provisions of the ACA? I think that
729 is what the chairman was trying to get at.

730 Mr. {Iwry.} Congresswoman, we do not have--first of
731 all, let me make clear, this transition relief does not have
732 any impact on any other--

733 Ms. {DeGette.} That is correct.

734 Mr. {Iwry.} --expected date--

735 Ms. {DeGette.} Is it the intention of the Agency--

736 Mr. {Iwry.} --under the Act.

737 Ms. {DeGette.} --to use Section 7805(a) to delay any
738 other provisions of the ACA? That is a pretty easy question.

739 Mr. {Iwry.} Right. Consistent with our normal process
740 in implementing new legislation--

741 Ms. {DeGette.} Um-hum.

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742 Mr. {Iwry.} --we will evaluate the need for any other
743 possible transition relief on a case-by-case basis if there
744 is a reason sufficiently compelling circumstances to--

745 Ms. {DeGette.} To your knowledge, does the Agency
746 intend--at this point, do you know of any other delays?

747 Mr. {Iwry.} We don't have any specific provision that
748 we have identified for which we would--

749 Ms. {DeGette.} Thank you. And if further requests come
750 in, you will evaluate those? That is what you are trying to
751 tell me?

752 Mr. {Iwry.} I am sorry?

753 Ms. {DeGette.} If further requests come in like came in
754 from the business community, what you are saying is you will
755 evaluate those within the Agency's authority. Is that
756 correct?

757 Mr. {Iwry.} That is correct.

758 Ms. {DeGette.} Okay. Now has Treasury ever used this
759 authority before to delay or modify other tax rules?

760 Mr. {Iwry.} Yes, Congresswoman--

761 Ms. {DeGette.} Could you describe maybe one or two
762 examples, very briefly?

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763 Mr. {Iwry.} Yes. Treasury has traditionally
764 interpreted this authority to allow implementation of
765 statutes in a manner that is best designed to give effect to
766 their terms, including transition relief, as appropriate in
767 connection with situations where the law has changed.

768 Ms. {DeGette.} Okay, do you have an example of that?

769 Mr. {Iwry.} Right. My written testimony contains a
770 whole series of specific examples, as you suggest,
771 Congresswoman, in the tax law. Let me mention one or two of
772 them here.

773 Ms. {DeGette.} How about one? We have got 53 seconds
774 left.

775 Mr. {Iwry.} Sure.

776 Ms. {DeGette.} Thank you.

777 Mr. {Iwry.} Basis reporting rules for investment
778 securities were enacted in 2008. Treasury and IRS issued
779 proposed regulations on those for debt instruments and
780 options. The statutory effective date was January 1, 2013,
781 as reflected in the regulations, and after numerous comments
782 from taxpayers that this proposed effective date did not give
783 them enough time to program their information systems,

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784 Treasury and the IRS issued a notice postponing the effective
785 date to January 1, 2014.

786 Ms. {DeGette.} Okay. Let me ask you a question,
787 because I am running out of time. So I know you think the
788 authority is clear. You are saying that you could do it
789 here. You are going to look at any other situations that
790 come up, but you know, we have institutional prerogatives,
791 too, and when we write a law, we expect that it will go into
792 effect. I can't tell whether my friends on the other side of
793 the Aisle object to this delay or think everything else
794 should be delayed, but what I am hearing you say is it is not
795 the intention of your agency to indefinitely delay this
796 mandate or to ignore it completely or to do this wholesale
797 with the rest of the ACA, is that correct?

798 Mr. {Iwry.} That is--

799 Ms. {DeGette.} Yes or no would be good, since I am out
800 of time.

801 Mr. {Iwry.} That is correct.

802 Ms. {DeGette.} Thank you very much.

803 Mr. {Murphy.} And the gentlelady's time is expired.

804 Now recognize the vice chair of the committee--full chair of

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805 the committee Mr. Upton is not here, so we will go to Ms.
806 Blackburn, vice chair, for 5 minutes.

807 Mrs. {Blackburn.} Thank you, Mr. Chairman, and Mr.
808 Iwry, thank you so much--I am over here--for your time to be
809 with us. I want to go right back to what the chairman of the
810 full committee--the subcommittee was talking with you about
811 is where you got this authority and what you think gives you
812 this authority. So this is a really simple yes or no. Does
813 Treasury have the authority to delay the individual mandate
814 under the healthcare law? Yes or no?

815 Mr. {Iwry.} Congresswoman, as I mentioned, Treasury has
816 not yet had occasion to consider whether it would have
817 authority to delay or to give transition relief with respect
818 to individual--

819 Mrs. {Blackburn.} So your presumptiveness on the
820 request from the business community that this thing is half-
821 baked and not ready for primetime, you chose to delay the
822 employer mandate. So what you are saying is you do not know
823 if you do or do not have authority to delay the individual
824 mandate?

825 Mr. {Iwry.} Congresswoman, we have not had occasion

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826 because we have not found that the individual mandate
827 presented the kinds of administrative difficulties for
828 individuals--

829 Mrs. {Blackburn.} Well let me just interject right
830 here, because we can show you plenty of surveys and evidence
831 that it is causing tremendous disruption in the healthcare
832 community and in the individual health insurance marketplace.

833 I will try this another way. Why is it possible to
834 delay the requirements on business but not on individuals?

835 Mr. {Iwry.} Congresswoman, when we considered whether
836 to provide this transition relief, we were motivated by the
837 concerns that were raised with us and with Congress by those
838 who would be providing coverage and continuing to provide
839 coverage that the reporting requirements under the employer
840 responsibility conditions--

841 Mrs. {Blackburn.} So then what you are telling me is
842 that this is too cumbersome for our business community to
843 comply with? Would that be a statement that matched what you
844 found? It is too cumbersome?

845 Mr. {Iwry.} Congresswoman, what we found was that the
846 business concerns--

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847 Mrs. {Blackburn.} Okay, you are running the time--

848 Mr. {Iwry.} That they needed more time.

849 Mrs. {Blackburn.} Yes, well, you know, you are running
850 my time out. You are running my time out by trying to talk
851 as slow as I talk and I don't appreciate it, quite frankly.

852 Let me tell you what I am finding, and it shows that you
853 have great sympathy for big business and that you are trying
854 to cater to big business, but not to hardworking taxpayers
855 and small business people that are fighting every single day
856 against this law. Because it is redefining--I tell you, I
857 agree with what the unions wrote to the Democrat leadership.
858 This is redefining the 40-hour work week in this country, and
859 I think you agree with that because of the actions that you
860 took. It is redefining what benefits are for individuals.
861 This is wrecking what employers are providing for individuals
862 because you all want to put this out there that is going to
863 destroy the healthcare marketplace and destroy the doctor-
864 patient relationship. And you are saying--you are making
865 this that you are motivated by concerns. Well let me tell
866 you what concerns I am motivated by, and it is men and women
867 who are going to work every single day and are seeking to do

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868 the best for their families. They want the ability to make
869 these decisions. They do not trust bureaucrats in
870 Washington, D.C. to make these decisions, and quite frankly,
871 I don't think they appreciate some of the attitudes when you
872 come in and you are unprepared and unwilling to answer a
873 simple yes or no. What gives you the authority and do you
874 have the authority, and if you do have the authority or think
875 you do, and you think it was a constitutional act, then for
876 heaven's sake, why would you favor big business and then vote
877 against hardworking men and women with the actions that you
878 took?

879 I yield back.

880 Mr. {Murphy.} Gentl lady yields back. Recognize the
881 gentl lady from Florida, Ms. Castor, for 5 minutes.

882 Ms. {Castor.} Well thank you, Mr. Chairman.

883 Boy, I have a different view. I think the Affordable
884 Care Act is working for families and it is certainly working
885 for small businesses, and we have a ways to go. So I would
886 hope that now that it is law, the Supreme Court has ruled.
887 We are moving into significant areas of implementation. We
888 can begin to all work together to ensure that it works for

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889 families across America and on all businesses, small and
890 large.

891 I would like to highlight what Chairman Waxman said
892 early on. There are some new statistics out, and it is
893 helpful because they are broken down by congressional
894 district, that demonstrates how the law is helping families.
895 And just a few great statistics from my own community--and
896 keep in mind that a congressional district, the population
897 now is estimated to be about 700,000. So what I learned
898 yesterday is in my own congressional district, under the
899 Affordable Care Act, almost 10,000 young adults in my
900 district now have health insurance because they have been
901 able to stay on their parents' plan. Almost 6,000 seniors in
902 my district have received prescription drug discounts worth
903 \$8.2 million. That is an average of \$610 per person in 2011,
904 \$690 in 2012, and \$840 in 2013. You better believe my
905 seniors can use a few extra dollars in their pockets. My
906 Medicare neighbors, they now have access to free preventative
907 services that they didn't have before without paying a co-
908 pay. Children are no longer barred from getting insurance
909 because they have a preexisting condition, like childhood

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910 cancer or asthma. These are very important consumer
911 protections that the ACA has provided. And now the rebates
912 are coming in. We expect another round of rebates. In the
913 entire Tampa Bay area alone so far, my families have gotten
914 \$47 million back from insurance companies. And then the
915 President announced that the White House says that there is
916 another round coming this summer. We anticipate in the State
917 of Florida alone we are--consumers, families are going to get
918 back another \$54 million, because under the law, we say most
919 of the co-pays and premiums that people work hard to pay will
920 go to actual healthcare and not to exorbitant salaries or
921 profits. So this is good news and I hope we can all work
922 together.

923 Now Mr. Iwry, thank you for being here. I want to ask
924 you about the extent to which the decision to implement a
925 business transition relief period to those--some of those
926 businesses is going to work. Now as of today, most large
927 employers in America already offer coverage to their
928 employees, correct?

929 Mr. {Iwry.} Congresswoman, the vast majority of larger
930 employers already offer coverage.

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931 Ms. {Castor.} In fact, it is about 160 million
932 Americans today already receive health insurance through
933 their employers. And when we talk about the larger
934 employers, we are talking about employers that have 50 or
935 more employees, is that correct?

936 Mr. {Iwry.} For this purpose, yes, Congresswoman.

937 Ms. {Castor.} And I know this might not be your area of
938 expertise, but why do employers, why do businesses provide
939 health insurance to their employees?

940 Mr. {Iwry.} Congresswoman--

941 Ms. {Castor.} Kind of the way the unique American
942 health system has grown up over the decades. Your health
943 insurance is tied to your job, but why do businesses provide
944 health insurance?

945 Mr. {Iwry.} Congresswoman, I think there are several
946 reasons. One is that businesses find that offering important
947 key benefits like health insurance makes it easier to recruit
948 valuable employees.

949 Ms. {Castor.} I think that is right. I think if you
950 were--if you had two jobs in front of you and you had one
951 that offered health coverage for you or your family, and the

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952 other that did not, that makes it more attractive to go work
953 for that employer, and that is why over time most employers
954 do that. It gives them an advantage.

955 Now is there anything in your purview that changes the
956 calculus here for the way that works?

957 Mr. {Iwry.} Well that is, of course, still the case as
958 well as to retain valued employees as they grow older, and--

959 Ms. {Castor.} Right.

960 Mr. {Iwry.} --prior to this--

961 Ms. {Castor.} And nothing changes that. Now there is
962 another part of the ACA--and I take umbrage at what my
963 colleague from Tennessee said--this law is going to provide
964 substantial tax credits to our small businesses at home. In
965 fact, over 360,000 small businesses across America have
966 already taken advantage of those new tax credits. We
967 anticipate this to grow. Mr. Iwry, did Treasury's recent
968 decision impact the small business tax credits provided under
969 the ACA?

970 Mr. {Iwry.} Congresswoman, it did not impact the small
971 business tax credits or the premium tax credits worth several
972 hundred billion dollars for individuals, which are central to

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973 the whole legislation here, nor did it affect the
974 marketplaces.

975 Mr. {Murphy.} Thank you. Gentlelady's time is expired.
976 Now recognize the chairman emeritus of the committee, Mr.
977 Barton, for 5 minutes.

978 Mr. {Barton.} Thank you, Mr. Chairman. On July the
979 9th, the Assistant Secretary for Tax Policy, Mark Mazur,
980 replied to a letter that myself and I think almost every
981 Republican on this subcommittee had sent to the Treasury
982 Secretary, asking for--why this particular part of the law
983 was delayed and what the authority was from it. In that
984 letter, on page two, it says that the legal authority to
985 delay was based on the administrative authority under Section
986 7805(a) of the Internal Revenue Code. Well, I have Section
987 7805(a) of the Code, and I am not an attorney, nor am I a tax
988 expert, but what Section 7805 of the Revenue Code says is
989 that unless explicitly authorized somewhere else so that some
990 other official has the authority, the Secretary of the
991 Treasury shall prescribe all needful rules and regulations
992 for the enforcement of this title, including all rules and
993 regulations as may be necessary by reason or any

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994 authorization of the law in relation to Internal Revenue. It
995 says nothing about giving authority to not implement, and in
996 the Affordable Care Act, as Congresswoman Blackburn pointed
997 out, there is not an opt-out clause. There is not a you
998 shall do this unless you decide it can't be implemented, in
999 this case, you can delay. The law was passed on March 23 or
1000 signed into law on March 23, 2010. That is over 3 years ago.
1001 So we are now getting to the point where you actually have to
1002 implement it, and lo and behold, the Secretary of the
1003 Treasury has decided to pick and choose which parts of the
1004 law to implement. Other than this Section 7805, is there any
1005 other authority anywhere else that gives the Secretary of the
1006 Treasury, and I would assume in consultation with the
1007 President of the United States, to pick and choose which
1008 parts of which laws that he or she implements?

1009 Mr. {Iwry.} Mr. Chairman, Section 7805(a) is, in our
1010 view, sufficient authority and in the view of previous
1011 Treasury Departments across various administrations, to, in
1012 an appropriate case, implement statutes in a way that is best
1013 designed to give effect to their terms, including providing
1014 transition relief, as appropriate when there is what the

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1015 provision refers to an alteration of the law--

1016 Mr. {Barton.} Well, 3-1/2 years from the law's passage,
1017 it is pretty weak to say this is transition relief. And it
1018 is explicit in the law that it shall be implemented in the
1019 Affordable Care Act, and it is explicit in this Section 7805
1020 that you are supposed to prescribe--the Secretary, that is--
1021 needful rules and regulations for the enforcement, not for
1022 the non-enforcement. But I mean, I am not an attorney but I
1023 don't believe you have got the legal authority, the Secretary
1024 of the Treasury, to do what you all just did.

1025 I do have a question. This decision to delay
1026 implementation, was it done in consultation with the White
1027 House, upon the direction of the White House, or without any
1028 input from the White House?

1029 Mr. {Iwry.} Mr. Chairman, it was--this decision to
1030 provide transition relief with respect to the reporting
1031 provisions for employers--

1032 Mr. {Barton.} To delay implementation, I don't consider
1033 that transition relief. The decision to not implement one of
1034 the key components of the Affordable Care Act, did the
1035 Secretary of the Treasury, with advice from people like you

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1036 who are senior advisors to the Secretary, did you all do this
1037 on your own or did you do it at the direction and
1038 consultation or with input from the White House?

1039 Mr. {Iwry.} Mr. Chairman, the Treasury Department did
1040 not do this without coordination with the White House. It
1041 was not at the direction, but it was with--

1042 Mr. {Barton.} So the President knew about this?

1043 Mr. {Iwry.} --coordination and consultation--

1044 Mr. {Barton.} The President knew about this before it
1045 was announced?

1046 Mr. {Iwry.} Mr. Chairman, I don't personally have a
1047 basis for knowing what the President knew at what point in
1048 time, but certainly to answer your question fairly, the White
1049 House was involved. The Treasury kept--

1050 Mr. {Barton.} It is--normally intelligent people can
1051 assume the President knew about this before the fact, was
1052 friendly towards it, probably, I would assume, directed it,
1053 but at least was strongly supportive of it. It wasn't done
1054 against his opposition.

1055 Mr. {Iwry.} Mr. Chairman, I have no reason to think
1056 that it was or would have been done had he been opposed to

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1057 it.

1058 Mr. {Barton.} My time is expired. I appreciate your
1059 candor. I will yield back.

1060 Mr. {Murphy.} Gentleman's time is expired. Now to the
1061 gentleman from North Carolina, Mr. Butterfield, for 5
1062 minutes.

1063 Mr. {Butterfield.} Thank you very much, Mr. Chairman,
1064 and thank you for your testimony today. You know, Mr.
1065 Barton, I would stipulate that the President was aware of
1066 this change in policy, and he would be derelict if he was not
1067 aware of the change. And so I certainly believe that he was,
1068 and thank him for making this important administrative
1069 decision.

1070 The President's decision to delay the employer mandate I
1071 think has gotten too much attention. I think we need to be
1072 using this endogenous to try to find ways to make the
1073 Affordable Care Act work, and I am trying to listen very
1074 carefully at the debate today to try to figure out if my
1075 friends on the other side of the Aisle feel that the employer
1076 responsibility delay should be repealed or whether the
1077 individual mandate should be delayed. I can't quite figure

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1078 out where you are going with this. I have always looked at
1079 you as my friends over on the other side as being friends of
1080 business, and now today you seem to be really championing the
1081 rights of individuals. I am glad to see that progress. I
1082 wish you would join me in North Carolina to try to champion
1083 individuals who are poor people in North Carolina who are not
1084 going to be able to benefit from the Medicaid expansion. And
1085 so I just want to talk about the business aspect of this and
1086 try to get some answers on the record.

1087 Sir, correct me if I am wrong. Firms with fewer than 50
1088 full-time equivalent employees are not subject to the
1089 employer responsibility provisions of the Act. Is that
1090 correct?

1091 Mr. {Iwry.} Congressman, firms with fewer than 50 full-
1092 time employees or full-time equivalent employees--

1093 Mr. {Butterfield.} It doesn't apply to them at all.

1094 Mr. {Iwry.} --are not subject to the employer
1095 responsibility provisions of the Act.

1096 Mr. {Butterfield.} Now or in the future, the
1097 foreseeable future, is that right?

1098 Mr. {Iwry.} The statute, Congressman, does not provide

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1099 at all for businesses smaller than 50 to be subject to that
1100 requirement.

1101 Mr. {Butterfield.} Am I correct, then, that the vast
1102 majority of U.S. businesses have fewer than 50 employees?
1103 That is the impression that I get.

1104 Mr. {Iwry.} Congressman, it is generally been estimated
1105 that roughly 95 percent of employers in the United States
1106 would be below that threshold.

1107 Mr. {Butterfield.} Well, am I correct that the vast
1108 majority of employers with more than 50 full-time employees
1109 already offer coverage to their employees?

1110 Mr. {Iwry.} Congressman, that is also correct. Roughly
1111 a similar percentage that is about 95 percent of employers
1112 above 50 in size have been estimated--it has been estimated
1113 that those employers do provide coverage currently to their
1114 employees.

1115 Mr. {Butterfield.} The number of businesses that we are
1116 talking about seems to be getting smaller and smaller and
1117 smaller. So many of the employers that would have been
1118 affected by the employer mandate already offer coverage that
1119 meets the standards in the law. So what we are really

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1120 talking about is a limited--a very limited number of
1121 companies that are affected by the mandate and the delay.
1122 And so for all the sound and fury over the mandate delay, the
1123 core of the law remains reform of the individual insurance
1124 market. That is what this thing is all about. Where people
1125 buy coverage when they do not get it through their jobs, and
1126 I can tell you, I represent a district in North Carolina. I
1127 don't know about my friends who are in other seats in this
1128 committee, but the vast majority of the people that I
1129 represent are ready for implementation, full implementation
1130 of the Affordable Care Act.

1131 And so I want to thank you, sir, for your testimony
1132 today. I think my friend on the other side who criticized
1133 your method of speaking owes you an apology, because your
1134 response to my questions was equal in tone and pace and
1135 cadence as it was to the other members of this committee. I
1136 think without knowing your personality and knowing the way
1137 you express yourself that you are owed an apology. I yield
1138 back.

1139 Mr. {Murphy.} Gentleman yields back. I now recognize
1140 the gentleman from Texas, Mr. Burgess, for 5 minutes.

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1141 Dr. {Burgess.} Thank you, Mr. Iwry. Thank you for
1142 being here.

1143 I want to pick up where Mr. Barton left off. I have got
1144 about three areas that I want to cover, so I apologize if it
1145 seems like we are going to go fast. And then I have got some
1146 other questions I am going to submit for a written response.

1147 When did you know that the mandate for the businesses
1148 was going to be delayed? That is not a yes or no question,
1149 but it is a calendar day. When did you know?

1150 Mr. {Iwry.} Mr. Burgess, I knew that this transition
1151 relief would be granted sometime last month, the month of
1152 June.

1153 Dr. {Burgess.} June 25, June 27? Do you have a date?
1154 Would there be a meeting that took place? Would there be a
1155 phone call? Would there be a record of some type that you
1156 could provide to this committee?

1157 Mr. {Iwry.} Congressman, I don't recall any specific
1158 meeting or phone call.

1159 Dr. {Burgess.} May I ask that you look at your logs and
1160 your records and see if you can refresh your memory and
1161 provide that to the staff of this committee?

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1162 Let's move on, because I got a lot of stuff to do and we
1163 have already discussed how slow I talk. Who made the
1164 decision to delay the employer mandate? Was that made
1165 exclusively at Treasury, Health and Human Services? Did they
1166 have any role at all, or was it also the White House that was
1167 involved? You told Mr. Barton that the White House was
1168 aware. Were they actually involved, actively involved in the
1169 decision-making process?

1170 Mr. {Iwry.} Congressman, policy decisions under this
1171 legislation, in particular under the Affordable Care Act,
1172 policy decisions generally that are made by the Treasury
1173 Department are coordinated with the White House--

1174 Dr. {Burgess.} So who did you talk to? Who did you
1175 discuss this with? Who did you coordinate with in the White
1176 House?

1177 Mr. {Iwry.} I was not--Congressman, I was not privy to
1178 all the conversations.

1179 Dr. {Burgess.} Well let me just ask you a question.
1180 This was odd the way this happened at 6:00 p.m. Eastern time
1181 on July the 2nd. I think it caught a lot of us by surprise.
1182 Valerie Jarrett put it out in a blog post. Was there any

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1183 discussion with you and Valerie Jarrett prior to her posting
1184 this on the blog site?

1185 Mr. {Iwry.} Congressman, I don't recall having had any
1186 discussion with Ms. Jarrett about this, and indeed, I am a
1187 policy person, not someone who deals with communications or
1188 media relations, or congressional relations, so--

1189 Dr. {Burgess.} But sir, this was a big deal and it was
1190 rolled out at an odd time. Once again, will you review your
1191 logs and your email? Were you copied on any email or was
1192 Valerie Jarrett copied on any email to you? Can you provide
1193 that to this committee, because I think it is important to
1194 our understanding of this process.

1195 Mr. {Iwry.} Congressman, I am not the person at
1196 Treasury to respond to the question--

1197 Dr. {Burgess.} Well then who is that?

1198 Mr. {Iwry.} --what we can--sorry.

1199 Dr. {Burgess.} Well fine. We can subpoena all of your
1200 records if that is what you would prefer.

1201 Mr. {Iwry.} Congressman, we are happy to cooperate with
1202 the committee.

1203 Dr. {Burgess.} Thank you.

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1204 Mr. {Iwry.} And I will refer this to the people at
1205 Treasury who would be dealing with this.

1206 Dr. {Burgess.} Thank you. The reason this is important
1207 is we had Secretary Sebelius and Mr. Cohen from Center for
1208 Communications Insurance Oversight here at this committee at
1209 the very end of April. From them, no delay, we will be
1210 ready, it will be on time. I specifically asked Mr. Cohen
1211 about contingency plans. I specifically asked Mr. Cohen are
1212 you planning on any delay? Are you planning on narrowing the
1213 scope of what is provided, and even after I reminded him that
1214 he was under oath, he replied no. So somehow between April
1215 30 and June 25, that all changed in a big way. And what we
1216 are trying to understand in this committee is how did that
1217 happen? What was the process? What was the trigger that
1218 occurred that caused such a massive change from no delay, we
1219 will be ready, to wait a year. Do you understand the
1220 concern?

1221 Mr. {Iwry.} Congressman, I understand your question,
1222 yes, and I would be happy to try to address that now, if I
1223 might.

1224 Dr. {Burgess.} Well let me ask you this. What does a

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1225 deadline mean? Are you aware of the phrase ``deadline''?

1226 Mr. {Iwry.} Congressman, we try our best at the
1227 Treasury Department to comply with the statutory timeframes
1228 and deadlines. We had a request here from--many requests
1229 from the plan sponsor committee--

1230 Dr. {Burgess.} Well let me ask you this. I mean, a lot
1231 of times we are accused of writing gobbledygook in our laws,
1232 but this is pretty straightforward. The amendments made in
1233 this section shall apply to the months beginning after
1234 December 31, 2013. That is pretty clear, isn't it?

1235 Mr. {Murphy.} Gentleman's time is expired.

1236 Dr. {Burgess.} And it sounds like a deadline, and I
1237 would appreciate a response from your office in writing what
1238 deadline means to you and your office. I will yield back.

1239 Mr. {Murphy.} Gentleman's time is expired. Now
1240 recognize the gentleman from New York, Mr. Tonko, for 5
1241 minutes.

1242 Mr. {Tonko.} Thank you, Mr. Chair.

1243 Mr. Iwry, before I ask you some questions, I just wanted
1244 to highlight some of the profile in my congressional district
1245 with the ACA. I have more than 12,000 seniors in the

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1246 district receiving prescription drug discounts worth some \$16
1247 million, an average discount of \$610 per person in 2011, and
1248 \$650 in 2012, and some 124,000 seniors in the district now
1249 eligible for Medicare preventative services without paying
1250 any co-pays, co-insurance, or deductible. And up to 27,000
1251 children in the district with preexisting health conditions
1252 no longer being denied coverage by health insurers. And I
1253 just wanted to highlight that for the record, because it is
1254 part of the strength of the ACA.

1255 Again, Mr. Iwry, one concern raised by critics of the
1256 Treasury decision is that it will impact the verification
1257 process for individuals on the exchanges. I want to read you
1258 a quote from Uval Levin, a conservative critic of the law,
1259 and he says, and I quote, ``The most serious problem for the
1260 Administration with this delay of the employer mandate is the
1261 effect on the liability of the exchanges. Under the law,
1262 eligibility for exchange subsidies depends on an individual
1263 not receiving an affordable offer of qualified insurance from
1264 an employer. If employers will now not be required to report
1265 on their insurance offerings in 2014, I don't see how the
1266 government will be able to determine eligibility for

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1267 subsidies and therefore how the exchanges will be able to
1268 function.''

1269 Mr. Iwry, is this a legitimate concern?

1270 Mr. {Iwry.} Congressman, the impact of the transition
1271 relief with respect to employer and insurer reporting on the
1272 functioning of the marketplaces and the ability to verify is
1273 something that was considered carefully as part of the
1274 decision-making process, together with many other factors,
1275 including the potential impacts of the decision on coverage
1276 and cost. And the conclusion was that the administration of
1277 the individual responsibility provisions could go forward
1278 without being unduly hampered by the lack of employer
1279 reporting partly for a year, except to the extent employers
1280 report voluntarily, which they are encouraged to do. Partly
1281 because the individual in going to the exchange would receive
1282 an employer form that provides information about their
1283 coverage, the individual would normally know during the open
1284 season with the employer through the summary of benefits and
1285 coverage that employers would be providing to employees,
1286 whether they had coverage or not, and therefore would be able
1287 to go to the exchange and know whether they are potentially

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1288 entitled to apply for a premium tax credit at the exchange if
1289 their income otherwise permits. So the individual has the
1290 wherewithal to apply, determine whether he or she is entitled
1291 to apply for a premium tax credit to help them pay for this
1292 coverage, regardless of that employer report, and indeed, the
1293 employer report is something that the exchange provides to
1294 ultimately--information about employer coverage is something
1295 that the exchange also provides to the IRS when the IRS then
1296 does a second check of the individual's eligibility for the
1297 tax credit on reconciliation, after the individual files the
1298 return. The IRS gets information from the exchange about
1299 what the employer provided as a result of what the employer
1300 provides, information the employer reports to the individual.
1301 The individual can fill out their 1040, knowing whether they
1302 have coverage or not, knowing whether they are exempt from
1303 individual responsibility or not, and in the very few cases,
1304 the small percentage of cases where a person is expected to
1305 owe a payment, they will have the tools on their 1040 to make
1306 the payment.

1307 Mr. {Tonko.} Thank you. Thank you very much for the
1308 clarification, and with that, I yield back.

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1309 Mr. {Murphy.} Gentleman's time is expired, and now
1310 recognize the gentleman from Texas, Mr. Olson, for 5 minutes.

1311 Mr. {Olson.} I thank the chair, and I thank Mr. Iwry
1312 for appearing to explain how the Administration decided to
1313 delay Obamacare's employer mandate.

1314 I didn't think it was possible, sir, but the
1315 Administration's actions created more uncertainty back home
1316 in Texas 22 over Obamacare's impacts on their families and
1317 businesses. The employer mandate was a low murmur compared
1318 to the full repeal war I heard after March 23 of 2010 when
1319 Obamacare was passed, but that changed when the employer
1320 mandate was delayed. That became a full-on war back home in
1321 Texas 22. And that war is locked on two questions. One, how
1322 can I plan for the future prosperity of my family? How can I
1323 plan for the future prosperity of my business? The second
1324 question, what change is coming next?

1325 Sir, under the Constitution of the United States, it is
1326 my job, my sacred duty to get answers to those questions for
1327 these 700,000 people, Texans who live in Texas 22. Sir, I
1328 need, I demand the cooperation to get those answers.

1329 And now the facts. It seems this delay was ready for

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1330 primetime by June 24 of this year. I say that because CMS
1331 Administrator Marilyn Tavenner testified yesterday that she
1332 was made aware of the delayed employer mandate that was being
1333 considered on June 24 of this year. Yesterday. In your
1334 testimony in front of the Ways and Means Subcommittee and
1335 right here just about 10 minutes ago, you stated that
1336 Treasury's final decision to postpone the Affordable Care
1337 Act's employer mandate was made ``sometime in June.'' It was
1338 considered in a very careful way for a while. My question,
1339 sir, who in Treasury took part in the careful consideration
1340 in the month of June? I need names and positions, please.

1341 Mr. {Iwry.} Congressman, would you like me to start
1342 with your last question or your first one?

1343 Mr. {Olson.} I need names and positions to my question.
1344 Who took part in this careful consideration in the month of
1345 June? Names and positions, please.

1346 Mr. {Iwry.} Congressman, the authority to make a tax
1347 policy regulatory decision resides in the Assistant
1348 Secretary--this is the position--the Assistant Secretary for
1349 Tax Policy within the Department--

1350 Mr. {Olson.} Names, please, sir. Names and positions,

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1351 please. That is all I am asking. I worked in the Senate for
1352 8 years. I know what a filibuster looks like. Please, names
1353 and positions. Please help me. I have a duty to 700,000
1354 people to get these answers.

1355 Mr. {Iwry.} Congressman, respectfully I am trying to
1356 answer your question fully. So the position is the Assistant
1357 Secretary for Tax Policy, and that authority is delegated to
1358 the Assistant Secretary by the Secretary of the Treasury.
1359 The name of the individual who is Assistant Secretary for Tax
1360 Policy is Mark Mazur. He is the author of that blog post.

1361 Mr. {Olson.} Okay, got that from Chairman Barton
1362 before, Chairman Emeritus Barton.

1363 One more question, sir. Your lack of details doesn't
1364 support your repeated considerations that you had careful
1365 considerations, your repeated contentions. As you might have
1366 done some research on my life, I am a former Naval--U.S.
1367 Naval aviator. Careful, to me, means knowing that your
1368 plane, your route of flight, and the obstacles en route. If
1369 Treasury's actions were applied to flying aircraft, you would
1370 have been on autopilot, asleep for over 3 years, only waking
1371 up when the collision avoidance system is going pull up, pull

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1372 up, pull up. You pulled up, woke up, and avoided crashing
1373 the plane.

1374 I will give you one more chance to help me out, sir.
1375 Considering that at least seven components of the Affordable
1376 Care Act, the class act, the 1009, small business changes,
1377 mandate employers, data hub, income verification, employer
1378 insurance verification, have been repealed late in the past 3
1379 years, what is coming in the future? Anything that Treasury
1380 is looking at that I can tell my people back home, get ready
1381 for this?

1382 Mr. {Iwry.} Congressman, we are continuing to implement
1383 the Affordable Care Act, and we have no specific provision at
1384 Treasury that I am aware of in mind that would call for, in
1385 our view, further transition relief. However, if it does
1386 develop that there is a legitimate need and one that is
1387 within our authority, which we take seriously, sir, and we
1388 very much begin with respect for the law and for the statute
1389 that Congress passed and the language of the statute, but if
1390 we need to exercise the longstanding authority which has been
1391 exercised across different Administrations under the 7805(a)
1392 section of the Tax Code, with respect to another provision of

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1393 the tax law, we would do that. There are many examples in
1394 the past where that has been done--

1395 Mr. {Murphy.} Gentleman's time is expired.

1396 Mr. {Olson.} My interpretation of your comments, sir,
1397 is we can expect a Labor Day, a Halloween, or Thanksgiving or
1398 Christmas surprise again. I yield back the balance of my
1399 time.

1400 Mr. {Murphy.} Gentleman's time is expired. Now
1401 recognize Mr. Green of Texas for 5 minutes.

1402 Mr. {Green.} Thank you, Mr. Chairman. Welcome, Mr.
1403 Iwry. The issue of the delay of the employer mandate, I
1404 think, has been bogged down and whether the Department of
1405 Treasury had the authority to do so. Transitional relief is
1406 not objectionable. Has the authority to provide transition
1407 relief been used by other Administrations in the past?

1408 Mr. {Iwry.} Congressman, the authority that I have
1409 referred to under Section 7805(a) of the Tax Code to provide
1410 interpretations and in this case, transition relief, with
1411 respect to Tax Code provisions has been used in the past on a
1412 whole number of occasions. Information reporting is a
1413 particular area where transition relief has been found to be

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1414 necessary on prior occasions, and the decisions to provide
1415 transition relief on occasion have been made, to my
1416 knowledge, in the exercise of the professional, legal
1417 judgment of the Treasury Department, without regard to
1418 political affiliation across different Administrations.
1419 There is a tradition at Treasury of very professional and
1420 serious dedication to the law and respect for the law and
1421 respect for tax policy, and there is an effort made
1422 consistently to keep that up, regardless of what
1423 Administration is in office.

1424 Mr. {Green.} Okay, and so this has been used by other
1425 Administrations--

1426 Mr. {Iwry.} Correct.

1427 Mr. {Green.} --in Department of Treasury and other
1428 Administrations. The bigger issue for me is what the future
1429 holds for the law that is so important to so many Americans.
1430 I know that we are how few people will be affected by this
1431 delay, however, I represent a very urban district in Houston.
1432 Currently our district has the highest percentage of people
1433 who have jobs, but no health insurance, either through their
1434 job or because they make too much to be qualified for

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1435 Medicaid. And of course, our State of Texas unfortunately is
1436 not expanding Medicaid. So this delay deals my constituents
1437 a hard blow.

1438 The other issue, anyone who is employed and makes
1439 between 100 and 130 percent of the federal poverty rate and
1440 doesn't have insurance through their job still cannot afford
1441 it because their employers aren't required to provide it, and
1442 they won't receive the subsidies to purchase coverage through
1443 the exchange. Do you think there is some way that Treasury
1444 could look at that and maybe have a transition so those folks
1445 who are left waiting for that mandate for their employers, is
1446 there some way the Administration can deal with that, to
1447 where those people who are not qualified now because that
1448 would be able to have some type of transition purchase
1449 coverage with the subsidies through the exchange? That may
1450 not be your area. Probably not. Treasury is your
1451 jurisdiction, but that is one of the concerns. What are we
1452 going to do with these folks because of this decision their
1453 employers are not covering them? This delay creates
1454 significant uncertainty about the time and the implementation
1455 of the rest of the Affordable Care Act, and I have a number

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1456 of questions that should require simply very short answers.
1457 Can you provide the necessary certainty to this committee, to
1458 the employers, and employees that in 2015 the employer
1459 mandate will not be delayed again?

1460 Mr. {Iwry.} Congressman, this transition relief is a 1-
1461 year grant of transition relief for 2014. There is every
1462 intention to have the implementation of these specific
1463 provisions go into effect at the beginning of 2015 of the
1464 expressed terms--

1465 Mr. {Green.} Okay. I only have about 40 seconds. Do
1466 you know if the Treasury is preparing to delay the
1467 implementation of any other provisions of the Affordable Care
1468 Act within its jurisdiction?

1469 Mr. {Iwry.} Congressman, as I have said, the
1470 administrative authority that we have used to provide
1471 transition relief for these employer provisions is authority
1472 that could, in appropriate cases, potentially be used as it
1473 has been in the past with respect to other provisions, but as
1474 we implement--continue to complete the implementation of the
1475 Affordable Care Act, we don't currently have on our radar
1476 screen any particular provision--

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1477 Mr. {Green.} Okay. Well one of my concerns--and I know
1478 my Republican colleagues might not share it, but I think I
1479 have been in every meeting we have had, not only on the
1480 committee but also through the Democratic caucus with Health
1481 and Human Services employees, Administration employees,
1482 granted, none from Treasury, and this was never even came up.
1483 Nobody knew about it until the day before the 4th of July.
1484 So I would hope some of us who really support this law and
1485 want it to work, that we will not give fodder to the folks
1486 who don't want it to work.

1487 Thank you, Mr. Chairman, for your time--the time.

1488 Mr. {Murphy.} Gentleman's time is expired. Now to the
1489 gentleman from Virginia, Mr. Griffith, for 5 minutes.

1490 Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate
1491 it very much.

1492 Following up on that, you said that it was--there was
1493 nothing on your radar screen at this time. We have heard the
1494 decision or some kind of decision was made sometime in June,
1495 but they wanted to contemplate it--and I know I may not be
1496 using the exact words you used--and that is why it didn't
1497 come out until July 2. I would ask you, if there is nothing

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1498 on your radar screen now, when did this one pop up on your
1499 radar screen, because as Congressman Green said, nobody ever
1500 heard anything about it in numerous hearings or meetings.

1501 Mr. {Iwry.} Congressman, the requests for transition
1502 relief from plan sponsors, which started the process of
1503 thinking about it, were ones that were made over the course
1504 of the past year or so.

1505 Mr. {Griffith.} Past year or so, because here is what
1506 is really instructive. On July 1, as a result of part of
1507 this process, the Commonwealth of Virginia shifted its part-
1508 time employees from what they regularly would have to a 29-
1509 hour workweek because of what is going on. I am sure a lot
1510 of those folks would have liked transition relief, and if it
1511 has been talked about for some time, they would have liked to
1512 have had it before the law was changed back during the
1513 legislative session and it went into effect on July 1, your
1514 announcement not coming out until July 2.

1515 Further, I would submit to you that this creates a huge
1516 confusion and area of concern for the American people,
1517 because if something can be, you know percolating out there,
1518 there are all kinds of concerns--we have heard about union

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1519 concerns and so forth--for a great deal of time and then all
1520 of a sudden it pops up and a decision is made, you know, late
1521 one month and 2 weeks later it is announced. That means
1522 anything can happen if you interpret the code this way before
1523 January 1 comes around or maybe even October 1. Do you
1524 believe you have the authority to delay the implementation of
1525 the exchanges? Yes or no?

1526 Mr. {Iwry.} Congressman, we--

1527 Mr. {Griffith.} Yes or no. I have got only limited
1528 time. Either you have the authority or you don't. I am not
1529 asking you if you are doing it, I am asking you if you have
1530 the authority.

1531 Mr. {Iwry.} That is--the exchanges are established
1532 pursuant to provisions which are--

1533 Mr. {Griffith.} Are not part of the Internal Revenue
1534 Code, but you don't have authority.

1535 Mr. {Iwry.} --by and large--

1536 Mr. {Griffith.} Thank you. No answer. You know, that
1537 is real simple. Just no, we don't have that authority.

1538 Mr. {Iwry.} Congressman--

1539 Mr. {Griffith.} In regard to that--hang on, I only have

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1540 limited amount of time. You talk about this transition
1541 relief and you rely on the Section 7805(a). I have read
1542 7805(a) and the rest of 7805. I don't see the words
1543 transition relief anywhere in there, and in fact, I would
1544 point out to you that the section deals with regulations
1545 predominantly, although it does reference the Internal
1546 Revenue Code on three occasions, it references regulations 35
1547 times and it is talking about, you know, delaying a
1548 regulation. This is not a regulation. This is a law that
1549 was put into effect by the United States Congress, and I
1550 would ask you, just because other Administrations have done
1551 it--you are a lawyer by training, I believe.

1552 Mr. {Iwry.} That is correct.

1553 Mr. {Griffith.} That is correct. Just because other
1554 Administrations have done it doesn't necessarily make it
1555 right, and am I not correct that there has been no court
1556 opinion that has ever said that changing the law by unelected
1557 bureaucrats under that particular code section is, in fact,
1558 lawful? I am correct, there is no court case saying that,
1559 yes or no?

1560 Mr. {Iwry.} Congressman, we have not exercised this

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1561 authority because other Administrations have done it. We
1562 have exercised this authority because we believe in good
1563 conscience--

1564 Mr. {Griffith.} This law cannot be enforced the way it
1565 was written. I understand that, but the bottom line I am
1566 asking you is there is no court opinion. You have referenced
1567 other Administrations to say this is where we get our
1568 authority from, but there is no court opinion saying this is
1569 a lawful act. Isn't that correct? Yes or no?

1570 Mr. {Iwry.} No court opinion addressing this
1571 transition--this branch of transition relief--

1572 Mr. {Griffith.} Any transition relief granted by this
1573 code section that you are referencing, 7805(a) of the
1574 Internal Revenue Code? I am correct, there is no opinion
1575 referencing that, am I not? No court opinion that says it is
1576 lawful, yes or no? It is real simple. You all are making a
1577 huge decision on the United States of America and you can't
1578 answer the question? It is yes or no. It is simple.

1579 Mr. {Iwry.} Congressman, there are court opinions
1580 referencing Section 7805(a) of the Internal Revenue Code--

1581 Mr. {Griffith.} In changing a law passed by Congress?

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1582 It is mostly regulation, am I not correct? Is there any case
1583 that references a time when the Treasury Department used this
1584 section to stop the implementation of a section of the law
1585 and a court has said oh yeah, you got that authority? Can't
1586 cite me one, can you?

1587 Mr. {Iwry.} Congressman, we will be happy to respond to
1588 you after the hearing.

1589 Mr. {Griffith.} And I appreciate that, but I would
1590 think if you were coming to a hearing where you are going to
1591 testify under oath and you are changing the law of the United
1592 States of America by--of the executive and by the
1593 administrative branch, I think you would have your court
1594 cases lined up. I don't believe you got it, but I would be
1595 glad to see it if you do.

1596 Thank you. I yield back.

1597 Mr. {Murphy.} Gentleman's time is expired. Now
1598 recognize Mr. Johnson of Ohio for 5 minutes.

1599 Mr. {Johnson.} Thank you, Mr. Chairman.

1600 Mr. Iwry, I certainly am not happy that we are here
1601 today. I am sure you are not either. You know, the
1602 Administration has had 3 years to work on this, and it is

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1603 just now getting worried about the timeframe. Was there ever
1604 a comprehensive plan in place, or was too much of the 2,000
1605 page healthcare law waiting to be written into 20,000 pages
1606 of regulations that have slowly leaked out of HHS and the
1607 IRS? Because oh, that is right, we had to pass the bill to
1608 find out what was in it. That was what we all heard. Turns
1609 out that deceiving the American people with a law largely
1610 written by bureaucrats after it was already signed into law
1611 wasn't such a good thing for the President after all.
1612 Because now that we have got those 20,000 pages of
1613 regulations, the law supporters are finding out just how
1614 unworkable it is, something that we have been saying all
1615 along.

1616 Today, 78 percent of Americans lack awareness about the
1617 law, and four in ten don't even know the law takes effect 5
1618 months from now. We are 3 years in here, folks, and issues
1619 like this are exactly why the Administration should be
1620 delaying the individual mandate, too. And if things have
1621 gone the way they have and are going is any indication of
1622 what is to come, this law will never be workable. So
1623 probably doesn't come as a surprise to you, but let me ask

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1624 you once again, does the IRS, does your department have the
1625 authority to delay the individual mandate? Because I thought
1626 I just heard you tell my colleague on the other side there
1627 that under--after analysis and under certain circumstances,
1628 you do have the authority. That is what you said, correct?

1629 Mr. {Iwry.} That is not, Congressman, what I--

1630 Mr. {Johnson.} No, that is exactly what you said.

1631 Mr. {Iwry.} --was saying with respect to--

1632 Mr. {Johnson.} No, that is exactly what you said, Mr.
1633 Iwry. You said that under certain conditions, based on the
1634 analysis, that you would be able to apply the same section of
1635 the IRS code to waive this and other future law mandates
1636 under that provision in the IRS code. That is what you said
1637 to the colleague before, so are you now changing that answer?

1638 Mr. {Iwry.} Congressman--

1639 Mr. {Johnson.} Do you have the authority? If you were
1640 to conduct the analysis, do you have the authority to change
1641 it? If the analysis were to give you the same level of
1642 concern that the employer mandate did, would you have the
1643 authority under the IRS code to change and give the
1644 transition relief?

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1645 Mr. {Iwry.} Congressman, the individual responsibility
1646 provision does not present--

1647 Mr. {Johnson.} No, I am asking you if you have the
1648 authority. I am not asking you will you; I am not asking you
1649 have you conducted the analysis. I am asking you if the
1650 analysis were conducted, do you have the authority under the
1651 IRS code to provide that transition relief? That is a yes or
1652 no, Mr. Iwry.

1653 Mr. {Iwry.} Congressman, we have not performed--

1654 Mr. {Johnson.} I know you haven't. I know you haven't.
1655 I am not asking you have you. You are not answering the
1656 question that I am asking you. You are very calm and poised.
1657 You have been very skilled at this, so I commend you on that.
1658 I have noticed. What is the IRS prepared to do if the
1659 analysis were to indicate the same level of concern over the
1660 individual mandate as the employer mandate? Does the code
1661 allow you to use this provision to delay the individual
1662 mandate?

1663 Mr. {Iwry.} Congressman, it is it not based on the
1664 level of concern by stakeholders--

1665 Mr. {Johnson.} But you just said it was. You said it

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1666 was in an earlier--you are under oath. Do you remember what
1667 you said about 5 minutes ago, 10 minutes ago?

1668 Mr. {Iwry.} Respectfully, Congressman, what I am saying
1669 is--

1670 Mr. {Johnson.} Well respectfully answer the question.
1671 If you want to be respectful, Mr. Iwry, to the voice of the
1672 American people, then answer the questions that you are being
1673 asked and stop dancing around the issue. Does the IRS have
1674 the authority to delay the individual mandate under the same
1675 IRS provision that they delayed the employer mandate?

1676 Mr. {Iwry.} Congressman, we have not considered--

1677 Mr. {Johnson.} You are not going to answer the
1678 question.

1679 Mr. {Iwry.} We have not--

1680 Mr. {Johnson.} You said earlier in your testimony--

1681 Ms. {DeGette.} Mr. Chairman, I respectfully ask the
1682 witness be allowed to answer the question.

1683 Mr. {Murphy.} Gentleman has the time.

1684 Mr. {Johnson.} This is my time, Mr. Chairman.

1685 You said in your testimony earlier that your decisions
1686 were based on concerns from stakeholders. Who were the

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1687 stakeholders? Who did you talk--who did the IRS talk to
1688 before they made this decision?

1689 Mr. {Iwry.} Congressman, the stakeholders who expressed
1690 these concerns--

1691 Mr. {Johnson.} Yeah, who were they? Specifically, who
1692 were they?

1693 Mr. {Iwry.} --included the National Restaurant
1694 Association, the National Retail Federation, the Retail
1695 Industry Leaders Association, the Employers for Flexibility
1696 in Healthcare.

1697 Mr. {Johnson.} Did you talk to any individual
1698 companies, the businesses that were going to be impacted?

1699 Mr. {Murphy.} Gentleman's time is expired.

1700 Mr. {Johnson.} I thank you, Mr. Chairman. I yield
1701 back.

1702 Mr. {Murphy.} Chair recognizes the gentleman from
1703 Missouri, Mr. Long, for 5 minutes.

1704 Mr. {Long.} Thank you, Mr. Chairman, and thank you, Mr.
1705 Iwry, for being here today on kind of a hot topic, I think as
1706 we all know.

1707 Mr. Johnson kind of took one of my questions. I guess

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1708 he is over here looking at my notes, but these different
1709 companies that you talked to in making this decision or your
1710 agency made in delaying the employer mandate, can you name
1711 three companies? I mean, the top three companies that pop in
1712 your head, hey, we talked to John Deere, we talked to General
1713 Motors, we talked to this one, we talked to that one. Can
1714 you name me three companies just real quickly that you talked
1715 to about it?

1716 Mr. {Iwry.} Congressman, we talked to many and heard
1717 from many company representatives, as well as various
1718 individual companies. What I am--

1719 Mr. {Long.} That, to me, is the company. If you talked
1720 to the representative, then--you are kind of representing
1721 Treasury here today so I think I am talking to Treasury. So
1722 if was talking to somebody that represented John Deere, then
1723 I would think I was talking to John Deere, so can you just--
1724 three names that pop in your head of companies that you
1725 talked to about this, how onerous it was going to be on them
1726 or why you made this decision?

1727 Mr. {Iwry.} I am sorry, Congressman, I wasn't being
1728 clear. What I meant was associations representing hundreds

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1729 of companies.

1730 Mr. {Long.} Right, well you named the National
1731 Restaurant, but that is not what I am looking for. I am
1732 looking for KFC. I am looking for Darden. I look for a lot
1733 of restaurants, if you haven't noticed, but--

1734 Mr. {Iwry.} Congressman, we spoke to Darden. We have
1735 spoken to the Gap. We have spoken to numerous companies, and
1736 I would be happy to think of them. What I am not coming up
1737 with right now and I would like to do that to be helpful and
1738 responsive to your question, is sorting out my recollection--

1739 Mr. {Long.} If you can, I would appreciate it.

1740 Mr. {Iwry.} Yes, sir.

1741 Mr. {Long.} Okay. Let me move on. You stated--I will
1742 tell you one company. I heard earlier one of the Congressmen
1743 said we each represent about 700,000 people. I represent, I
1744 think, 751,000. We lost a Congressman due to the Census last
1745 time in Missouri, so I have 751,000 constituents. But I
1746 don't want to talk about 750,999 of them, I want to talk
1747 about two of them. One of them is an employer in my area
1748 that came to me, the CEO came to me and said I want to tell
1749 you how bad this Affordable Care Act is going to be on our

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1750 company. This is a company that started out with one store
1751 in Springfield, Missouri. They now have 56,000 employees.
1752 Obviously, they have stores all around the country now. He
1753 said we provide a great healthcare insurance for our people.
1754 They loved it. It was affordable for our company. We cannot
1755 provide that insurance for them next year. The requirements
1756 of the Affordable Care Act are going to be so onerous on us
1757 that we cannot do that. We are going to tell our part-time
1758 employees--and I think they already have, at this point--that
1759 we are not going to provide healthcare for the part-time
1760 employee that they were providing for before, and the best we
1761 can figure, we are going to have to cut people down to 29
1762 hours a week. Well that is not doable. That is not--people
1763 can't go to work somewhere 29 hours a week and then pick up a
1764 few more hours somewhere else. So those are the types of
1765 people that I am concerned about. An employer in my area,
1766 again, started out--the great American success story.
1767 Started out with one company, now they have 56,000 employees.
1768 And this bill is so onerous on them that they cannot provide
1769 that coverage.

1770 So you stated earlier that the vast majority already

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1771 receive this coverage, because they work for a company like
1772 this that has 56,000, but even when this 1-year mandate runs
1773 out, then they are not going to be able to provide the same
1774 healthcare at the same affordable cost that they are now. So
1775 they can't keep it next year when this runs out.

1776 You said that the White House was involved. Were there
1777 any talks about the individual mandate? I mean, to me, you
1778 have done a good thing. I don't know that it is
1779 constitutionally legal. I can't imagine the President just
1780 willy-nilly arbitrarily saying I am going to change a law
1781 because we want to change the law. I don't know that that is
1782 constitutional, but let's say--let's assume that it is. But
1783 I think you have done a good thing in shutting the barn door
1784 before the horse was out on the mandate on employers. The
1785 individual mandate, that horse is still in the barn. Did you
1786 talk about shutting the door before that horse gets out of
1787 the barn? Did you have those discussions about delaying the
1788 individual mandate?

1789 Mr. {Iwry.} Congressman, we collectively as a lot of
1790 people--I can just speak to you about the discussions I was
1791 in, which I assume is what you are asking me about. But in

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1792 the discussions that I have been involved in, which are part
1793 of the total discussions, we did not consider delaying or
1794 giving transition relief with respect to the individual
1795 mandate because we did not identify similar reasons for doing
1796 so, a comparable impact.

1797 Mr. {Long.} Okay. So you didn't think that the
1798 individuals would want and need this same relief that the
1799 employers would need, correct?

1800 Mr. {Iwry.} That is correct, Congressman. I would be
1801 happy to explain why.

1802 Mr. {Long.} Okay. I am about out of time here. For
1803 the record, I just want to state that we do things in
1804 Congress--I have a lot of friends on the other side of the
1805 Aisle. I have a few on this side, but I have a lot of
1806 friends that I really, really try and reach out and get along
1807 with people. I am kind of a people person, and I think that
1808 we need to work together. It just seems like on all of these
1809 issues--I don't care what the topic is--that when we want to
1810 do something, the other side is violently opposed to it, and
1811 if they on our side and their side, too, once in a while
1812 could reach out with an olive branch and say hey, you know,

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1813 the White House got in on this and we are not going to do the
1814 employer mandate, and we say hey, why not for the
1815 individuals, too? If they would come back and say that is
1816 fine on immigration reform, they want to--they don't want to
1817 touch--we want the borders tightened. We can talk about
1818 immigration and get something done on immigration, but if
1819 they would once in a while come together, I think it would be
1820 better for all of us. Thank you.

1821 Mr. {Murphy.} Gentleman would have more friends if he
1822 sticks to the time limit. I thank the gentleman. Now turn
1823 to the gentlelady from North Carolina, Ms. Ellmers, for 5
1824 minutes.

1825 Mrs. {Ellmers.} Thank you, Mr. Chairman.

1826 Mr. Iwry, I have a couple questions for you regarding
1827 the employer mandate. You know, the Affordable Care Act, or
1828 Obamacare, was put in place March 2010, is that correct? Yes
1829 or no?

1830 Mr. {Iwry.} That is correct, Congresswoman.

1831 Mrs. {Ellmers.} Okay. When was the employer mandate
1832 actually put in place? When was the finalization of the
1833 actual language to what employers would have to adhere to put

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1834 in place?

1835 Mr. {Iwry.} The language was part of the law that was
1836 enacted in March.

1837 Mrs. {Ellmers.} So it was in the initial part of the
1838 law back in 2010. Okay. May I remind you it is now July 18,
1839 2013. There have been businesses across this country and
1840 individuals and American families who have been dreading this
1841 terrible piece of legislation going into place. This is the
1842 worst piece of legislation that has ever affected American
1843 families.

1844 Now here we are, July 2, week of 4th of July, and we get
1845 this message put out that we are now going to delay the
1846 employer mandate, the employer mandate forcing businesses to
1847 have to give insurance and incur the cost. What was the
1848 tipping point at this point when we are so close to the
1849 implementation in 2014? What was it? Was it the cost to
1850 businesses? Was it the affordability? Was it the fact that
1851 jobs were going to be lost? Was it going to be the hours?
1852 What was it that you heard from these associations that
1853 changed your mind or urged you to make this decision?

1854 Mr. {Iwry.} Congresswoman, the associations and the

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1855 individual companies--

1856 Mrs. {Ellmers.} What did they say the issue was?

1857 Mr. {Iwry.} The associations and the individual

1858 companies said that the issue was two-fold.

1859 Mrs. {Ellmers.} And it was?

1860 Mr. {Iwry.} One, that they needed more time to

1861 implement the reporting requirements--

1862 Mrs. {Ellmers.} Okay.

1863 Mr. {Iwry.} --but because their systems needed to be

1864 adapted, both for collecting--

1865 Mrs. {Ellmers.} Okay, but this--so when did you start

1866 getting this information? When did you start sitting down

1867 with these associations?

1868 Mr. {Iwry.} We started sitting down with the

1869 associations and individual businesses shortly after

1870 enactment of the law.

1871 Mrs. {Ellmers.} So that was back in 2010--

1872 Mr. {Iwry.} 2010 or--

1873 Mrs. {Ellmers.} And you now, 3 years later, have made

1874 this decision.

1875 Mr. {Iwry.} Or 2011.

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1876 Mrs. {Ellmers.} Okay. Well this is the issue. Do you
1877 have a business background?

1878 Mr. {Iwry.} Congresswoman, I have spent more years
1879 counseling businesses in the private sector--

1880 Mrs. {Ellmers.} Okay, so you are very familiar with
1881 business. Time is money. When it costs a business to have
1882 to adhere to onerous regulations, that is money. So
1883 basically what you are telling me, yes or no, is that it
1884 really boils down to the cost and the fact that businesses
1885 would have to fire employees. Is that correct?

1886 Mr. {Iwry.} Congresswoman, that is not how the
1887 businesses that have expressed these concerns that the
1888 reporting be--

1889 Mrs. {Ellmers.} So what is going to change in a year?

1890 Mr. {Iwry.} Congresswoman, businesses have asked us if
1891 we can simplify or streamline--

1892 Mrs. {Ellmers.} Okay, so you are going to simplify the
1893 system. Three years later--knowing the requirements have
1894 always been there, now 3 years later we are going to
1895 simplify. Okay, that is fine. That is fine. I don't have a
1896 problem with that. It is totally inadequate, but I will

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1897 accept it.

1898 Let me move on to the individual mandate. Now you say
1899 that you don't see any problem with individuals being able to
1900 report?

1901 Mr. {Iwry.} Congresswoman, the impact of the reporting
1902 conditions--

1903 Mrs. {Ellmers.} Have you actually reached out to
1904 individuals to get comments, to find out what the individuals
1905 feel about this? Because I have, because I represent 700,000
1906 of them and they are all very concerned about this. What
1907 input have you received?

1908 Mr. {Iwry.} The Administration has worked with many
1909 individuals--

1910 Mrs. {Ellmers.} The Administration or--okay. So what
1911 is your impact? So the individuals you are talking to are
1912 saying this is just perfect, it is wonderful, this is the
1913 best thing that has ever happened?

1914 Mr. {Iwry.} The individuals process for navigating--

1915 Mrs. {Ellmers.} Okay. Let's just move on, because see,
1916 interestingly enough, HHS put out a 606-page rule now saying
1917 that individuals who are going to the exchanges in the 16

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1918 States where they are up and running or will be that they
1919 won't have to report any type of income verification or
1920 employer-based insurance for these exchanges. Now why would
1921 that happen at the same time?

1922 Mr. {Iwry.} I believe that is not correct,
1923 Congresswoman.

1924 Mrs. {Ellmers.} What is your version, then, and has the
1925 Treasury had any input there?

1926 Mr. {Iwry.} My understanding from Ms. Tavenner--

1927 Mrs. {Ellmers.} I have 2 seconds.

1928 Mr. {Iwry.} --and from CMS HHS is that that
1929 verification change that they announced in that regulation--

1930 Mrs. {Ellmers.} Yes.

1931 Mr. {Iwry.} --was much more limited in its application.

1932 Mrs. {Ellmers.} Well, 606 pages. However, there is an
1933 issue here because there is no time limit on that. We are
1934 not just giving someone a year to learn how to report; we are
1935 just removing it. Is that not--am I not correct in that? We
1936 are just now saying that individuals do not have to report
1937 their asset verification, is that not correct?

1938 Mr. {Iwry.} That is not my understanding,

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1939 Congresswoman. I am not an expert on the HHS requirements,
1940 but that is different from the myths and facts statement that
1941 they--that Ms. Tavenner at CMS posted--

1942 Mrs. {Ellmers.} Well my time has expired, but I find it
1943 amazingly coincidental. Thank you.

1944 Mr. {Murphy.} Gentlelady's time is expired. Now turn
1945 to the gentleman from Louisiana, Mr. Scalise, for 5 minutes.

1946 Mr. {Scalise.} Thank you, Mr. Chairman. I appreciate
1947 you holding this hearing. It is very important that we have
1948 this hearing. Mr. Iwry, I appreciate you being here.

1949 We have had a number of hearings in this committee
1950 exploring the ramifications of the President's healthcare
1951 law, and when we have had Administration officials in the
1952 last few months come and testify, we have been hearing horror
1953 stories from people in our districts. You know, I represent
1954 southeast Louisiana. I hear from businesses all the time
1955 that have been talking about the devastating impacts this is
1956 having on their business, on their ability to hire new
1957 employees. Many businesses are being forced to reduce the
1958 number of hours that employees work because of the healthcare
1959 law. In fact, our State study had just come out that said

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1960 our State, Louisiana, would see a 56 percent increase in
1961 individual healthcare premiums on families. Fifty-six
1962 percent increase because of the President's healthcare law,
1963 so we are seeing all of this. And then when we have had
1964 hearings with Administration officials, they have all said
1965 everything is going fine. Everything is looking great. We
1966 have recently had hearings where those things were being said
1967 and we present them with this information, things that we are
1968 seeing and hearing on the ground in our districts back home.

1969 So I think when you come here and say that sometime in
1970 June you all made a decision that you could just ignore part
1971 of the law, there are a lot of real serious questions that
1972 come about. How long have you all known about this? How
1973 long has your agency known about it, and what other agencies
1974 within the Obama Administration have known?

1975 I want to first ask you, when you started coming up with
1976 this understanding as you are meeting with businesses and
1977 they are telling you we have got serious problems, and then
1978 ultimately you decided you think you can delay a part of the
1979 law, did you have any talks with HHS, to have the same
1980 conversation that you all had internally with HHS who was

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1981 moving forward with implementation?

1982 Mr. {Iwry.} There is a lot of coordination between
1983 Treasury and HHS--

1984 Mr. {Scalise.} On this decision? On the decision to
1985 delay the employer mandate, did you have conversations with
1986 HHS about the decision that you made? It is a yes or no
1987 question.

1988 Mr. {Iwry.} Personally I did not have conversations,
1989 Congressman, with HHS that I can recall before the decision
1990 was made--

1991 Mr. {Scalise.} How about Mr. Mazur, the person that you
1992 said at Treasury made this decision? Do you know if he had
1993 any conversations with HHS about this?

1994 Mr. {Iwry.} Congressman, I do not know whether Mr.
1995 Mazur--

1996 Mr. {Scalise.} All right, then let me--he is not here,
1997 you are. I want to ask you, can you get the committee that
1998 information? Can you get the committee the names of anybody
1999 at Treasury that consulted with HHS, if those consultations
2000 happened along the way, that you all were going to delay this
2001 mandate, and when--because they were testifying that

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2002 everything was fine, while you all were sitting in a room
2003 somewhere behind closed doors making a decision that it
2004 wasn't going fine, so much so that you thought you can just
2005 ignore the law. And so can you get us that information?

2006 Mr. {Iwry.} Congressman, does that--does your request
2007 include--so I understand your request--

2008 Mr. {Scalise.} I am asking you to get the names of
2009 people at Treasury that had any conversations with HHS about
2010 the delay of the employer mandate, and then the dates and
2011 times when those conversations occurred. Can you get that to
2012 us? It should be pretty easy.

2013 Mr. {Iwry.} The conversations that coordinate between
2014 Treasury and HHS--

2015 Mr. {Scalise.} Yeah. Can you get that?

2016 Mr. {Iwry.} --often go through--

2017 Mr. {Scalise.} Answers. Can you get us that? The
2018 clock is running. I don't have all day. I appreciate your
2019 time and I hope you respect mine. Can you get us that
2020 information?

2021 Mr. {Iwry.} Congressman, the conversations are
2022 coordinated by--

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2023 Mr. {Scalise.} Can you get us that information?

2024 Mr. {Iwry.} --OMB in many cases, or the White House.

2025 Mr. {Scalise.} Can you get us that information, yes or

2026 no?

2027 Mr. {Iwry.} We will be happy to--I would be happy to

2028 ask the appropriate people at Treasury to pursue your

2029 question and--

2030 Mr. {Scalise.} And get us that. Because I am looking

2031 at the law here, and this is the law--I was on the committee.

2032 I just got on right when the President's healthcare law was

2033 coming through. We had hearings for months and months, hours

2034 and hours at a time, and I had more concerns about this bill

2035 as it was going through. Every day they were worse. And

2036 unfortunately, they have all come to fruition and then some.

2037 But when I look at the section we are talking about,

2038 large employers, Section 605 says ``large employers required

2039 to report on health insurance coverage effective date, the

2040 amendments made by this section shall apply to periods

2041 beginning after December 31, 2013.'' Now did the President

2042 get out some kind of magical pen and change this to 2014?

2043 Did the President change this law? This is the law right

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2044 here. You are talking about something you all did on a blog
2045 post in a secret room behind closed doors. This is the law.
2046 Did this law change? Because yesterday we had a bill on the
2047 House Floor to actually change this law, to delay this by a
2048 year. I want to repeal the whole thing. Every American, the
2049 more they see about it--look, the unions, of all people, the
2050 labor unions who actually helped pass this law--James Hoffa
2051 wrote a letter saying ``the law as it stands will hurt
2052 millions of Americans, including the members of our
2053 respective unions,' ' and actually went on to say it would not
2054 only harm their hard-earned health benefits, but destroy the
2055 foundation of the 40-hour workweek that is the backbone of
2056 the American middle class. That is the unions who helped
2057 pushed this bill through that are saying that.

2058 And so when the Secretary of HHS is out shaking down
2059 companies recently, trying to get them to give money,
2060 companies she oversees and regulates, I think it is corrupt
2061 for her to do it. She is shaking down companies, trying to
2062 get money, to get them to promote the law. She is going to
2063 the NFL and NBA trying to get them to promote the law, and
2064 then somebody else behind closed doors in the same Obama

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2065 Administration is saying this thing is so unworkable we got
2066 to delay it.

2067 And so what I am asking you is who is talking to who in
2068 the Obama Administration? It is Sebelius out there on one
2069 hand, shaking down companies, saying help us promote this
2070 lemon, while you all are out there in a room going you know,
2071 this thing is so unworkable we better delay the damn thing.
2072 Can you get us that information, those answers to those
2073 questions?

2074 Mr. {Iwry.} I would be happy to respond now.

2075 Mr. {Scalise.} The Floor is yours.

2076 Mr. {Murphy.} Gentleman--the time has gone over so I am
2077 going to have to hold to that, but there are some questions
2078 we want--we will submit and you will respond in a timely
2079 fashion.

2080 Mr. {Scalise.} Thank you. I yield back the balance of
2081 my time.

2082 Mr. {Murphy.} I would now recognize Mr. Gardner from
2083 Colorado for 5 minutes.

2084 Mr. {Gardner.} Thank you, Mr. Chairman, and thank you,
2085 Mr. Iwry, for your time before this committee.

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2086 Just a couple of questions for you. You are the senior
2087 advisor to the Secretary, is that correct?

2088 Mr. {Iwry.} I am a senior advisor.

2089 Mr. {Gardner.} A senior advisor, okay. So in terms of
2090 the advice you would give to the Secretary on the question
2091 that Mr. Johnson was asking you, do you have the authority
2092 under the same tax provision to provide a delay in the
2093 implementation for the individual? What would your advice be
2094 to the Secretary?

2095 Mr. {Iwry.} Congressman, I would have to participate
2096 with the appropriate people--

2097 Mr. {Gardner.} Okay.

2098 Mr. {Iwry.} --at Treasury.

2099 Mr. {Gardner.} So your answer is that you would look
2100 into it, and so the answer is not no. You would have the
2101 authority to do that.

2102 Mr. {Iwry.} Congressman, if that question were asked, I
2103 would have to research or--

2104 Mr. {Gardner.} And you haven't researched that?

2105 Mr. {Iwry.} --or participate with others or have--

2106 Mr. {Gardner.} Have you researched that point?

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2107 Mr. {Iwry.} --others research the question whether we
2108 would have authority to--

2109 Mr. {Gardner.} Have others researched that point?

2110 Mr. {Iwry.} Whether we would have authority to--

2111 Mr. {Gardner.} Correct, under the same provision of
2112 law.

2113 Mr. {Iwry.} --provide transition relief with respect to
2114 individual--

2115 Mr. {Gardner.} To delay the mandate for individuals.
2116 Have you researched it, have others researched it?

2117 Mr. {Iwry.} We have not researched that particular
2118 request--

2119 Mr. {Gardner.} So you delayed the business mandate
2120 without understanding its full implication on what it would
2121 mean for individuals?

2122 Mr. {Iwry.} Congressman, no, that is not what we did.
2123 If I may explain--

2124 Mr. {Gardner.} You did--I have some other questions for
2125 you. How many--when was the President made aware of your
2126 decision to delay implementation of the business healthcare
2127 rules?

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2128 Mr. {Iwry.} Congressman, may I just finish my response
2129 to your prior question?

2130 Mr. {Gardner.} If you would like to submit it for the
2131 record, that would be great. When was the President made
2132 aware of your decision to delay the business provisions?

2133 Mr. {Iwry.} I don't know--

2134 Mr. {Gardner.} You don't know when the President was
2135 made aware?

2136 Mr. {Iwry.} I don't know what communications there were
2137 with the President on this matter. I was not involved.

2138 Mr. {Gardner.} You weren't a part of the decisions to
2139 inform the President of the United States about the decision
2140 to delay what is arguably a major provision of his marquee
2141 piece of legislation?

2142 Mr. {Iwry.} Congressman, we coordinate with the White
2143 House. The Treasury did coordinate with the White House--

2144 Mr. {Gardner.} Who spoke to the President about this?

2145 Mr. {Iwry.} Congressman, I don't know who, whether at
2146 the White House or at Treasury, spoke to the President about
2147 this. If I assume you have--people here have assumed that
2148 the President was told, I don't have--

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2149 Mr. {Gardner.} Would you assume that the President was
2150 told? How are decisions made with this White House?

2151 Mr. {Iwry.} I would not be surprised at all if the
2152 President was advised of this, Congressman.

2153 Mr. {Gardner.} Well I wouldn't be surprised either. I
2154 would just like to know when.

2155 Mr. {Iwry.} I simply have no personal knowledge.

2156 Mr. {Gardner.} Would you please get back to me on when
2157 the President was made aware of these decisions?

2158 How many IRS agents right now are working with you on
2159 implementation of the healthcare bill?

2160 Mr. {Iwry.} Congressman, I don't know the exact number
2161 as I sit here of IRS personnel who are working on
2162 implementation, but we would be happy to check on that--

2163 Mr. {Gardner.} Could you get back and tell me how many
2164 IRS personnel are working on the healthcare bill at this
2165 moment? Would you please get back to me with that number?

2166 Mr. {Iwry.} We would be happy to--I assume that that is
2167 something that we would be able to do, so--

2168 Mr. {Gardner.} I will take that last question and if
2169 you could report it for the record, that would be great.

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2170 How much money have businesses spent to this point, are
2171 you aware, to try to comply with the healthcare rules?

2172 Mr. {Iwry.} How much money businesses have spent to
2173 date?

2174 Mr. {Gardner.} Yes, how much does it cost American
2175 businesses to try to comply with the healthcare law?

2176 Mr. {Iwry.} Congressman, I am not sure I know the--I
2177 don't know the answer to that question.

2178 Mr. {Gardner.} Could you get back to me with the
2179 estimate that Treasury has and what it will cost American
2180 businesses to comply with the healthcare law?

2181 Mr. {Iwry.} Congressman, businesses are benefitting as
2182 well from the healthcare provisions--

2183 Mr. {Gardner.} Do you agree that it costs businesses to
2184 fill out their tax code, fill out their tax forms? It costs
2185 businesses to hire accountants? Do you agree with that?

2186 Mr. {Iwry.} Congressman, of course.

2187 Mr. {Gardner.} So it will cost businesses to try to
2188 comply with a new regulation and new law. I would like to
2189 know Treasury's estimation of how much it has cost American
2190 businesses to comply with the healthcare law.

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2191 Mr. {Iwry.} I will be happy to inquire of my colleagues
2192 whether the economists at Treasury have that kind of
2193 information.

2194 Mr. {Gardner.} Isn't that something the Treasury
2195 Department should have, is how much it is costing the
2196 American businesses?

2197 Mr. {Iwry.} The cost issues with respect to the
2198 Affordable Care Act are certainly something that Treasury has
2199 been taking into account in a very serious way, and weighing
2200 them against the benefit--

2201 Mr. {Gardner.} Who advises the Treasury Secretary or
2202 the President on how much it will cost to comply with the
2203 regulation?

2204 Mr. {Iwry.} The Assistant Secretary for Tax Policy is
2205 the individual who would be delegated the authority to make
2206 those regulatory decisions, and therefore if the question was
2207 asked how much does this--would this cost--

2208 Mr. {Gardner.} Would you mind getting back to me with
2209 that information?

2210 Mr. {Iwry.} That would be at least one individual
2211 within Treasury, not necessarily the only official within

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2212 Treasury who would be responsible for developing that.

2213 Mr. {Gardner.} I think we would all be interested in

2214 that information. I have other questions for the record.

2215 Thank you. I yield back.

2216 Mr. {Murphy.} Gentleman yields back. I now recognize

2217 the gentleman from Georgia, Mr. Gingrey--Dr. Gingrey, for 5

2218 minutes.

2219 Dr. {Gingrey.} I thank the chairman, and I came in a

2220 little bit late, but I am looking at the witness's bio and of

2221 course, in the name tag, Honorable Iwry, Senior Advisor to

2222 the Secretary of the Treasury, Deputy Assistant Secretary for

2223 Retirement and Health Policy of the United States Department

2224 of Treasury. Obviously haven't earned that title of

2225 honorary, and I am just astounded at the lack of ability to

2226 answer the questions, Honorary Iwry.

2227 In your capacity at the Treasury Department, have you

2228 heard either in meetings or by public comments about concerns

2229 from businesses that the employer mandate will cause

2230 employers to reconsider or even halt plans to expand? Have

2231 you heard that concern?

2232 Mr. {Iwry.} Congressman, we have heard some people

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2233 express that concern, as well as many who have said that it
2234 would not have that effect on their businesses.

2235 Dr. {Gingrey.} Well, I can tell you this, Honorary. I
2236 have certainly heard that concern in my district. When I
2237 talk to small businesses back home in Georgia, I often hear
2238 that the 50-employee threshold has repeatedly forced
2239 different hiring practices. I learned that Heatco, a company
2240 that specializes in the design and manufacture of world-class
2241 hearing solutions located in Bartow County, Georgia, has
2242 looked into expanding. The thing is, they currently have,
2243 you guessed it, 49 employees, and to expand by adding
2244 additional employees will cost more than automatizing some of
2245 their processes due to the added Obamacare costs. It seems
2246 to me that your delay is directly influenced by examples such
2247 as this one, and not due to the purported reporting
2248 requirements, for God's sake, that have had 3-1/4 years to
2249 figure that one out.

2250 In your response to the committee, you stated that the
2251 delay occurred after ``having engaged in a dialogue with
2252 stakeholders and reviewing written comments about the
2253 employer and insurer reporting requirements.'' Did any of

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2254 these comments mention the effect the mandate could have on
2255 their expansion plans?

2256 Mr. {Iwry.} Congressman, I am confident that while I
2257 can't recall specifics now, that at least some of those
2258 comments probably did. At least some probably did mention
2259 concerns such as those. Those were not what drove our
2260 decision, and indeed, the concerns that were expressed about
2261 the reporting and about the employer responsibilities were
2262 not ones that we gave credit to automatically or lightly.

2263 Dr. {Gingrey.} I want to interrupt you just for a
2264 second, because it seems to me you are kind of running out
2265 the clock, and that is--I thought that Harvard-educated
2266 lawyers could talk a little bit faster than Georgians.

2267 But look, would you please tell the committee some of
2268 these employer stakeholders who weighed in? Name two or
2269 three.

2270 Mr. {Iwry.} Well, the Business Roundtable representing
2271 numerous major companies--

2272 Dr. {Gingrey.} That is a trade association. That is
2273 not a company.

2274 Mr. {Iwry.} --weighed in. Oh, yes, sir. There were--

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2275 we would be happy to get back to you with--

2276 Dr. {Gingrey.} Well, I thank you for that. You should
2277 get back to me. That will be fine.

2278 Now it seems to me that this unconstitutional delay by
2279 the Executive Branch, by this President, was in direct
2280 response to the drag on the economy, higher unemployment,
2281 needing more time to develop reporting requirements was an
2282 economic political decision. I don't deny that or have any
2283 particular problem with that. In that light, though, in that
2284 light, would you please answer the following questions as our
2285 distinguished chairman emeritus, Mr. Dingell, would often say
2286 with yes or no answers regarding the raw Senate politics of
2287 this decision that was dumped on us on the July the 2nd.

2288 Did you hear during the stakeholder process, Honorable
2289 Iwry, did you hear either directly or indirectly from Senator
2290 Mark Pryor?

2291 Mr. {Iwry.} From Senator--

2292 Dr. {Gingrey.} Mark Pryor of Arkansas.

2293 Mr. {Iwry.} I don't recall having heard from Senator
2294 Pryor.

2295 Dr. {Gingrey.} How about Senator Mary Landrieu from

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2296 Louisiana?

2297 Mr. {Iwry.} Congressman, I don't recall having heard
2298 from--

2299 Dr. {Gingrey.} Struggling a little bit, Honorable. How
2300 about Senator Mark Begich from Alaska? How about Senator Kay
2301 Hagan from North Carolina?

2302 Mr. {Iwry.} Congressman, what I am referring to by
2303 stakeholders are companies, associations of companies, other
2304 organizations in the private sector--

2305 Dr. {Gingrey.} Yeah, what you are referring to as
2306 stakeholders and what I am referring to as stakeholders are
2307 two different animals, and I am trying to ask you if these
2308 Senators up for reelection in 2014 in States that Mitt Romney
2309 carried overwhelmingly came to you, Honorable, and I am sure
2310 you were in the room if they did, if you had heard any
2311 concerns that they have about their reelection potential
2312 process in regard to this bill, which is a train wreck, as
2313 retiring Senator Baucus described to the Secretary of Health
2314 and Human Services--

2315 Mr. {Murphy.} Gentleman's time is expired.

2316 Mr. {Iwry.} Congressman--

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2317 Mr. {Murphy.} Gentleman's time is expired. Here is how
2318 we are going to handle this in talking with the Minority
2319 here. So what we are going to do is give each side 5
2320 additional minutes to ask some questions. I have a question
2321 or two, and if members from my side want to ask a question,
2322 let me know.

2323 All right, Ms. DeGette, 5 minutes.

2324 Ms. {DeGette.} Thank you very much, Mr. Chairman.

2325 I really appreciate you coming over here, Mr. Iwry. I
2326 know it is sometimes frustrating and difficult to answer
2327 questions to which you have no answer, but I do think it is
2328 important for us to understand the decision that was made,
2329 and also to understand the scope of Treasury's ability to
2330 make these decisions regarding implementation of the
2331 Affordable Care Act. So thank you for coming. Some of the
2332 questions where folks asked you to submit written responses,
2333 you may not be able to respond to those questions because
2334 they were, you know, they were big, but if that is the case,
2335 please let us know that, too, so that we can help make sure
2336 that we get the information we need.

2337 Mr. Chairman, I just--I think finally Mr. Johnson's

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2338 question did get answered and I appreciate my colleague from
2339 Colorado, Mr. Gardner, for getting that answer because I
2340 thought it was very useful about the agency's scope of
2341 ability to be able to delay the individual mandate. And I
2342 believe what you had said, Mr. Iwry, is the agency has not
2343 really considered delaying the individual mandate, and
2344 therefore, the agency has not done an analysis to determine
2345 whether or not they do have that ability under Section
2346 7805(a). Is that correct? Yes or no would be--

2347 Mr. {Iwry.} Congresswoman, that is correct.

2348 Ms. {DeGette.} Okay, thank you. I just want to point
2349 one last thing out, Mr. Chairman, which is we keep talking
2350 about this Administration decision to delay the reporting
2351 requirements under Section 7805(a) for the employers, and
2352 then we keep talking about delaying the individual mandate as
2353 if it were a comparable decision, but in fact, it is really
2354 apples and oranges because the employer reporting is simply
2355 an IRS reporting that the employers have to make. And in
2356 fact, the Urban Institute did an analysis--and I will submit
2357 this for the record. They did an analysis after the
2358 Administration's decision figuring out how many more people

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2359 would be uninsured if you had the ACA, even without the
2360 employer mandate, not just the 1-year delay, but without it,
2361 and it turned out to be very minimal. The reason is because
2362 over 90 percent of Americans who work for companies already
2363 have insurance, and that is not going to change with just the
2364 1-year delay.

2365 But the Urban Institute analysis also showed, though, if
2366 you delayed the individual mandate by a year, that is a
2367 totally different thing and the reason is the individual
2368 mandate encourages people to go out and buy insurance. It is
2369 not simply a tax reporting, but when they go out and buy this
2370 insurance then, they get the subsidies, they get the tax
2371 relief, they get all of the other benefits that people are
2372 going to get. And what the Urban Institute analysis found
2373 out was that if you did not have the individual mandate, the
2374 Affordable Care Act without the individual mandate, then 13
2375 million people would be without coverage. So in fact--and
2376 you know, it is just two ways of looking at different sides
2377 of the coin is you delay the business mandate for a year,
2378 which is something that all the businesses sat in this room
2379 and said they wanted and everybody on both sides of the Aisle

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2380 seemed to think might be a good idea. You delay that for a
2381 year, well swell, but then if you delay the individual
2382 mandate for a year, what will happen is many, many millions
2383 of Americans, people with preexisting conditions and others,
2384 won't be able to get affordable health insurance through
2385 these exchanges.

2386 So I think it is kind of a little different, and I
2387 myself intend to continue to try to help all of my
2388 constituents in the 1st Congressional District of Colorado
2389 get enrolled so that they can get these benefits and so that
2390 we can bend the cost curve. And those are my two cents, Mr.
2391 Chairman. I would ask unanimous consent to put this Urban
2392 Institute analysis into the record.

2393 Mr. {Murphy.} Without objection.

2394 [The information follows:]

2395 ***** COMMITTEE INSERT *****

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2396 Ms. {DeGette.} Thank you very much, Mr. Chairman.

2397 Mr. {Murphy.} Gentlelady yields back?

2398 Ms. {DeGette.} I yield back.

2399 Mr. {Murphy.} Thank you. I am just going to ask a

2400 couple questions here, and then yield to Dr. Burgess.

2401 What are the costs to American businesses of complying

2402 with the reporting requirements? Do you have this number,

2403 the cost to American businesses of complying with the

2404 reporting requirements? I am assuming that is part of the

2405 record the Treasury is considering as a basis for your

2406 decision, their costs.

2407 Mr. {Iwry.} Mr. Chairman, the fact that there are costs

2408 is certainly something that is relevant.

2409 Mr. {Murphy.} I know it is relevant. Is it--do we have

2410 a number of how much it is going to cost American businesses

2411 to comply?

2412 Mr. {Iwry.} I would be happy to take that back and see

2413 whether we--

2414 Mr. {Murphy.} Is there a memorandum or any other

2415 information that was reviewed by you or other people with

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2416 regard to the costs?

2417 Mr. {Iwry.} Businesses and their representatives
2418 provided information about the fact that it was costly. If

2419 I--

2420 Mr. {Murphy.} So you will provide us with those
2421 memorandums or communications regarding the costs?

2422 Mr. {Iwry.} I am sorry, sir?

2423 Mr. {Murphy.} You will provide us with information
2424 regarding the costs?

2425 Mr. {Iwry.} We will be happy to look back and see
2426 whether they provided information--

2427 Mr. {Murphy.} It was only a week ago you decided this,
2428 so I was hoping you would remember. It was only 2 weeks ago
2429 that you decided to delay this, so I was hoping you would
2430 remember how much the costs were.

2431 Mr. {Iwry.} Mr. Chairman, I don't remember a particular
2432 figure that--

2433 Mr. {Murphy.} Did Treasury do an analysis of the costs?

2434 Mr. {Iwry.} Treasury considered the cost as part of the
2435 analysis--

2436 Mr. {Murphy.} And the number is?

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2437 Mr. {Iwry.} --taking it into account, but I don't know
2438 whether there is a separate number that was broken out. I
2439 will be happy--

2440 Mr. {Murphy.} Add that up and please get that.

2441 You also mentioned that Treasury carefully considered
2442 the rule. Do you know what other agencies reviewed the rule--
2443 -the announcement with regard to delay? Did other
2444 departments, other than Treasury, review this before the
2445 announcement came out? For example, did you ask HHS to
2446 review?

2447 Mr. {Iwry.} Mr. Chairman, OMB or other White House
2448 offices coordinate typically between the various departments
2449 that are involved in implementing--

2450 Mr. {Murphy.} Did you seek review from anyone else?
2451 Did Treasury seek review from any other agencies?

2452 Mr. {Iwry.} I personally did not, don't recall talking
2453 to the other--

2454 Mr. {Murphy.} Did anybody--did you see any memos or
2455 hear of any communications where other people within Treasury
2456 were reviewing this with any other agencies, any other
2457 departments?

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2458 Mr. {Iwry.} I do recall discussions in which this was
2459 reviewed by and there were consultations--

2460 Mr. {Murphy.} Other agencies, other departments?

2461 Mr. {Iwry.} --with other organizations within the
2462 government, but I don't recall such with respect to the other
2463 departments, as opposed to OMB or--

2464 Mr. {Murphy.} Let me broaden that. Any government
2465 agency, entity, department, division, person, desk, cubicle,
2466 group where two or more are gathered, we would like to know,
2467 all right?

2468 Is there any evidence or data before Treasury about the
2469 burdens of costs on the individual? You had mentioned before
2470 that you reviewed this for businesses but not necessarily for
2471 individuals. Did you hear from any individual groups? Did
2472 you seek information or do you plan to seek any information
2473 from individuals with regard to individual concerns and
2474 burdens?

2475 Mr. {Iwry.} I think the Administration has heard from
2476 individuals, Mr. Chairman--

2477 Mr. {Murphy.} Treasury. I am pausing the clock.

2478 Mr. {Iwry.} I would have to check. Certainly Treasury

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2479 has weighed the impact on--

2480 Mr. {Murphy.} Let me ask this. If Americans want to
2481 let you know what their concerns are as individuals, what
2482 address can they send their concerns to?

2483 Mr. {Iwry.} There are--

2484 Mr. {Murphy.} Just yours. I want them to write to you.
2485 Do you have an address at Department of Treasury?

2486 Mr. {Iwry.} Mr. Chairman, yes, there are specific
2487 addresses that have been provided for the public.

2488 Mr. {Murphy.} We are asking you because you are
2489 involved with this decision and implementation, and you said
2490 you haven't heard from individuals. So I would like--if
2491 there are some people that have concerns out there, I would
2492 like them to be able to write to you. So we can have them
2493 write to you at Department of Treasury, care of the
2494 Department of Treasury?

2495 Mr. {Iwry.} Mr. Chairman, I would be happy to hear from
2496 them.

2497 Mr. {Murphy.} Thank you. I am now going to yield to
2498 Dr. Burgess for a question.

2499 Dr. {Burgess.} Thank you, Mr. Chairman.

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2500 Let me just ask, did you get any feedback from the
2501 Department of Health and Human Services as to making this
2502 announcement on July 2?

2503 Mr. {Iwry.} I don't recall, Mr. Burgess, hearing any
2504 feedback from HHS regarding this July 2 announcement.

2505 Dr. {Burgess.} Did they provide you an analysis of what
2506 this delay meant?

2507 Mr. {Iwry.} Whether they provided an analysis to the
2508 White House or to OMB or to someone else at Treasury, some
2509 other office at Treasury, I don't know. I had not--I don't
2510 recall receiving any analysis from HHS.

2511 Dr. {Burgess.} I just find that extremely odd that a
2512 department that had worked on this so diligently and then you
2513 provide this delay, and there is no consultation.

2514 Did Treasury consult CMS directly on the question of
2515 whether a delay would harm the integrity of the employer
2516 verification system, and shouldn't this question have been
2517 discussed, given that the Exchange Subsidy Program will cost
2518 taxpayers a trillion dollars over the next decade?

2519 Mr. {Iwry.} Congressman, there are discussions which I
2520 am not privy to between CMS and IRS personnel about

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2521 verification and reporting coordination between the
2522 marketplaces or exchanges and the tax system that go on on a,
2523 I believe, a continual basis and I am not involved generally
2524 in those conversations, so I don't know.

2525 Dr. {Burgess.} Mr. Chairman, it is apparent that the
2526 witness does not want to answer the question. I am going to
2527 respectfully request that this committee follow up with an
2528 aggressive document request from the Department of Treasury
2529 and the Department of Health and Human Services, and I expect
2530 a document request to be fulfilled. I will yield back to the
2531 chairman.

2532 Mr. {Murphy.} Thank you. We are--our time is expired.
2533 I just want to--with regard to your welcoming comments from
2534 individual citizens across the country, so I am assuming if
2535 they write to you, Mr. Iwry, at Office of the Deputy
2536 Assistant Secretary for Retirement Health Policy at the U.S.
2537 Treasury Department, letters should get to you. Am I
2538 correct?

2539 Mr. {Iwry.} Mr. Chairman, we would be happy to provide
2540 an appropriate address or a recipient for those letters.

2541 Mr. {Murphy.} Can you tell me--I am just asking your

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2542 address. You have got to be able to answer that question.
2543 You told us you haven't heard from people. I am just trying
2544 to help America. I am just trying to clear this up. So is
2545 it okay if people write to you at Deputy Assistant Secretary
2546 for Retirement Health Policy at the U.S. Department of
2547 Treasury?

2548 Mr. {Iwry.} Mr. Chairman, we have heard from
2549 individuals, but on this particular issue--

2550 Mr. {Murphy.} On this issue. This is what we would
2551 like to know.

2552 Mr. {Iwry.} I am not aware that whether we have heard
2553 from individuals on this particular issue.

2554 Mr. {Murphy.} Okay, thank you. Well with regard to
2555 this, I ask unanimous consent that the written opening
2556 statements of other members be introduced into the record,
2557 and so without objection, documents will be entered into the
2558 record.

2559 And in conclusion, I would like to thank you for being
2560 here today and participating in this hearing. I remind
2561 members that they have 10 business days to submit the
2562 questions for the record. Mr. Iwry, I ask that you respond

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2563 to them promptly with answers.

2564 Thank you very much. This hearing is adjourned.

2565 [Whereupon, at 5:03 p.m., the Subcommittee was

2566 adjourned.]