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4 ``TWO WEEKS UNTIL ENROLLMENT: QUESTIONS FOR CCIIO''

5 THURSDAY, SEPTEMBER 19, 2013

6 House of Representatives,

7 Subcommittee on Oversight & Investigations

8 Committee on Energy and Commerce

9 Washington, D.C.

10 The Subcommittee met, pursuant to call, at 10:19 a.m.,  
11 in Room 2123 of the Rayburn House Office Building, Hon. Tim  
12 Murphy [Chairman of the Subcommittee] presiding.

13 Members present: Representatives Murphy, Burgess,  
14 Gingrey, Scalise, Harper, Olson, Gardner, Griffith, Johnson,  
15 Long, Ellmers, Shimkus, DeGette, Butterfield, Castor, Welch,  
16 Tonko, Green, Yarmuth, Dingell, and Waxman (ex officio).

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17           Staff present: Sean Bonyun, Communications Director;  
18 Karen Christian, Chief Counsel, Oversight; Noelle Clemente,  
19 Press Secretary; Julie Goon, Health Policy Advisor; Brad  
20 Grantz, Policy Coordinator, Oversight & Investigations; Sydne  
21 Harwick, Legislative Clerk; Brittany Havens, Legislative  
22 Clerk; Sean Hayes, Counsel, Oversight & Investigations;  
23 Andrew Powaleny, Deputy Press Secretary; John Stone, Counsel,  
24 Oversight; Tom Wilbur, Digital Media Advisor; Phil Barnett,  
25 Democratic Staff Director; Brian Cohen, Democratic  
26 Subcommittee Staff Director, Senior Policy Advisor; Hannah  
27 Green, Democratic Staff Assistant; Elizabeth Letter,  
28 Democratic Assistant Press Secretary; Karen Nelson,  
29 Democratic Deputy Staff Director; Stephen Salsbury,  
30 Democratic Special Assistant; and Matthew Siegler, Democratic  
31 Counsel.

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|

32           Mr. {Murphy.} Good morning. I convene this hearing of  
33 the Subcommittee on Oversight and Investigation. Well, in  
34 less than 2 weeks enrollment in qualified health plans under  
35 the Patient Protection Affordable Care Act will begin. It is  
36 the law of the land. Today we hope to discuss the many  
37 challenges and issues that may arise over the coming weeks.  
38 Most of the concerns about the law currently can be reduced  
39 to one question; is the Administration ready?

40           Since passage of the President's Healthcare Law, the  
41 Administration has consistently told us that the government  
42 will be ready when open enrollment begins on October 1 and  
43 the exchanges start on January 1. Yet our experience has  
44 shown that rosy predictions about the future of the  
45 Healthcare Law often given way to the results of this rushed  
46 and rocky implementation.

47           The law has many problems and so much so that half of it  
48 was simply done away with for a year. While individuals must  
49 comply with the law's requirements starting on January 1 or  
50 pay a penalty, this is not so for businesses and companies  
51 who are able to delay the employer mandate for a year.

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52           Despite the Administration's promises about lower  
53 premiums, evidence continues to mount that some individuals  
54 will face extreme rate change is open, as much as double the  
55 price they are currently paying. And the Administration's  
56 promise that if you like your coverage you can keep it rings  
57 especially hollow now with news reports almost every day  
58 about businesses moving the spouses and families of their  
59 employees or their retirees into the exchanges. If the  
60 President's promises were true, we wouldn't hear stories  
61 about major airlines losing millions of dollars to the  
62 Healthcare Law, and we wouldn't hear about the spouses of  
63 thousands of employees losing their coverages.

64           Meanwhile, any sort of oversight over the Healthcare Law  
65 remains taboo for the law's defenders. Last month this  
66 committee sent letters to many of the recipients of federal  
67 funding to participate in the Navigator Program under the  
68 law. We asked some fairly basic questions. How many people  
69 are you hiring? What are you paying them? Are you  
70 performing background checks? We should expect that groups  
71 receiving federal dollars to enroll people in exchanges  
72 should have answers to those questions as enrollment begins

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73 in less than 2 weeks.

74 In the course of this investigation the committee has  
75 had many productive calls with recipients of Navigator  
76 funding. I have had some personal meetings myself which have  
77 been very fruitful. In fact, many of the organizations were  
78 prepared to answer our questions we believe will be ready to  
79 properly perform their Navigator duties. Yet, we have also  
80 seen that the Navigator Program, like many of the programs  
81 created under the Healthcare Law, has been impacted by the  
82 Administration's delay in implementing the law.

83 According to a GAO report issued in June, the  
84 Administration issued the Navigator grants 2 months behind  
85 schedule. The Administration had planned to issue the first  
86 round of awards in June but did not end up issuing them until  
87 August. The Administration had originally planned to begin  
88 Navigator training in July, but HHS did not finalize the  
89 training programs until August 29. This delay naturally  
90 reduced by almost half the time available to Navigators to  
91 begin training and preparing for enrollment.

92 So today we will ask Mr. Gary Cohen, the Director of the  
93 Center for Consumer Information and Insurance Oversight, to

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94 explain how the abbreviated training schedule for Navigators  
95 will affect the program. We will also ask Mr. Cohen to  
96 address some of the concerns we have identified in our review  
97 of the grant applications.

98       We learned that some Navigators are planning on going  
99 door to door to conduct enrollment activities. A report  
100 issued yesterday by the Oversight and Government Reform  
101 Committee indicates that CCIIO representatives are aware of  
102 problems linked to door-to-door outreach activities such as  
103 scammers knocking on doors and falsely representing they are  
104 Navigators, and yet this activity is still permitted under  
105 the Navigator Program.

106       We have also learned that the return on taxpayer dollars  
107 varies wildly among Navigator grant recipients. The  
108 Administration is paying one Navigator \$80,000 to enroll 312  
109 people. That is \$80,000 of taxpayer funding to enroll not  
110 even a person a day.

111       On the other hand, other groups clearly have incredibly  
112 high expectations. Another applicant estimated that they  
113 would enroll approximately 75 percent of the individuals  
114 directly contacted, resulting in hundreds of thousands of

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115 enrolled individuals. There is a wide difference in  
116 expectations and workload.

117 Our concerns over the safety of consumer data and health  
118 information remain as well. One Navigator plans to survey  
119 and track those who attend community meetings and another  
120 promises additional pay if a Navigator enrolls a certain  
121 amount of individuals. I have concerns about paying for  
122 that.

123 Meanwhile, one Navigator told committee staff that they  
124 believe background checks are important, yet these are not a  
125 required action. Our responsibility in conducting oversight  
126 of Federal programs is to identify waste, fraud, and abuse,  
127 and the best case, asking questions about Federal spending  
128 and shining a light on programs can identify problems before  
129 taxpayer dollars are wasted and allow those problems to be  
130 corrected. A wait-and-see approach to oversight of the  
131 Healthcare Reform Law does not seem appropriate when its  
132 implementation has been regularly botched by delays and  
133 uncertainty.

134 Let me add to this. As a clinician and psychologist  
135 myself, it was hardly ever appropriate for me or my

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136 colleagues in the medical field to wait until problems were  
137 at a severe or critical level. We like to know problems  
138 early and take action. That is the appropriate thing to do,  
139 and any claims that we are doing otherwise are inappropriate  
140 and spurious at best.

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

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

144       \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*



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|  
145           Mr. {Murphy.} I now recognize Ranking Member DeGette  
146 for her opening statement, but she is going to yield to Mr.  
147 Waxman because he has another commitment this morning.

148           Mr. {Waxman.} Thank you, Mr. Chairman. Thank you,  
149 Representative DeGette, for yielding to me this time to make  
150 an opening statement.

151           Oversight is important and valuable, but the Affordable  
152 Care Act oversight of the last 3 years has not been to  
153 enlighten the committee or improve the law. It appears to be  
154 part of the efforts by the Republican party to engage in  
155 partisan attacks on this law and if they could do it, even  
156 sabotage the Affordable Care Act.

157           I released a report last month highlighting the  
158 unprecedented Republican campaign to undermine the law.  
159 Forty-one repeal votes, refusals to expand Medicare to cover  
160 millions of low-income Americans, and the imminent threaten  
161 to shut down the entire Federal Government or force a  
162 catastrophic government default if the law is not repealed.  
163 There is no legitimate purpose served by the letters from 51  
164 Navigators who are community groups, food banks, community

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165 health providers, and many similar non-political  
166 organizations tasked with trying to help inform the public  
167 about the Affordable Care Act benefits. This request was  
168 ill-timed and a serious mistake, and I find it amazing to  
169 hear the Chairman talk about how they haven't had enough time  
170 to do their job but now we are trying to, by the committee,  
171 divert them from doing their job by answering all sorts of  
172 questions.

173       The letters sent to them were without a predicate or  
174 evidence of wrongdoing. They serve only to burden and  
175 intimidate these organizations just as they are beginning  
176 their critical work. My staff yesterday released an analysis  
177 of the Navigator Program. Our investigation found that  
178 Navigators will help millions obtain health insurance  
179 coverage, that they have extensive experience assisting  
180 individuals with federal and state benefit programs, and they  
181 have effective privacy protections in place.

182       In short, the Republican rhetorical attacks on the  
183 Navigator Program I believe are unjustified and inconsistent  
184 with the facts. It is hard to escape the conclusion that it  
185 was designed to intimate these groups and discourage

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186 participation in the program. Thanks to the Affordable Care  
187 Act millions of Americans will be able to get high-quality,  
188 affordable insurance. The worst abuses of the insurance  
189 companies have been ended. This Republican approach, I  
190 believe, is bad for the country.

191 I want to now yield the balance of my time to the  
192 gentleman from North Carolina, Mr. Butterfield.

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

194 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
195           Mr. {Butterfield.} Thank you, Mr. Waxman, for yielding  
196 time, and thank you for your extraordinary leadership. You  
197 not only wrote the Affordable Care Act, but you got it  
198 through this committee. Thank you very much.

199           Mr. Chairman, I am pleased to announce that tens of  
200 thousands of my constituents in North Carolina have already  
201 benefited from the Affordable Care Act. One-hundred and  
202 thirty thousand seniors are now eligible for Medicare  
203 preventative services, 41,000 children can no longer be  
204 denied coverage based on pre-existing conditions, 8,200 young  
205 adults now have coverage on their parents' plan. It has been  
206 a long path, and we are almost there with the beginning of  
207 open season on October 1, less than 2 weeks away, we will be  
208 one step closer to helping many Americans receive affordable  
209 and quality healthcare. The opening of the marketplace, the  
210 education and support provided by, yes, the Navigators and  
211 the outreach by HHS will help directly enroll 1.1 million  
212 uninsured people and assist an additional 7.3 million  
213 uninsured people to receive health insurance.

214           But instead of touting the success of soon having nearly

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215 every American insured, my Republican friends have forced  
216 more than 40 votes to dismantle and defund the Act. The  
217 Chairman of this committee in my opinion abused his  
218 investigatory authority by launching a fishing expedition of  
219 Navigators who received funding solely for the purpose of  
220 discrediting the program. This, Mr. Chairman, distracts the  
221 Navigators' attention. You know it, and I know it, from  
222 their mission of helping families to access health insurance.

223       Someone said that many of these Navigators will be going  
224 door to door. I hope they will be going door to door to  
225 enroll every uninsured American. A North Carolina newspaper  
226 recently reported that one of my North Carolina Republican  
227 colleagues who serves on this committee said that she would  
228 be pleased if the Congressional Navigator inquires stymies  
229 the non-profit is Navigator work, and she is quoted in that  
230 article as saying, ``If this ended up resulting in a delay, I  
231 wouldn't be unhappy about it.''

232       This is an outrage, Mr. Chairman. I would hope that  
233 October 1 that we would unite and make sure that every  
234 American gets access to affordable healthcare. The American  
235 people deserve it, and we need to bring this debate to a

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236 close.

237 Thank you, Mr. Waxman. I will yield back to you, sir.

238 [The prepared statement of Mr. Butterfield follows:]

239 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
240 Mr. {Murphy.} The gentleman yields back. I now  
241 recognize for 5 minutes the gentleman from Texas, Dr.  
242 Burgess.

243 Dr. {Burgess.} Well, thank you, Mr. Chairman. I  
244 appreciate the recognition, and here we are a dozen days from  
245 the start date of October 1 where the open enrollment is  
246 going to occur. I don't know a whole lot more than I did the  
247 last time Mr. Cohen was here at the end of April of this  
248 year. Since that time I have been told time and time again  
249 by officials from Health and Human Services, Center for  
250 Medicare, Medicaid Services, Treasury, the White House, and  
251 of course, even you when you were here, Mr. Cohen, that the  
252 exchanges would definitely be ready to go live on October 1,  
253 2013.

254 In addition, the federal hub that is supposedly going to  
255 be operational in a couple of days we have not had made  
256 available to us any of the testing data that reportedly has  
257 been done, and that obviously is an important aspect that  
258 many of us continue to have a great deal of interest.

259 Even more concerning is the fact that federal officials

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260 have assigned much of the responsibility for the education  
261 and outreach to federally-funded Navigators.

262 Now, similar to the Administration's other delays, while  
263 Health and Human Services had initially planned to issue the  
264 first round of Navigator grants in June and begin training in  
265 July, the grants were issued on August 15, and a training  
266 program was not available to the Navigators until the end of  
267 that month. You got \$67 million, \$13 million more than  
268 originally budgeted, \$67 million of taxpayer money taken by  
269 threat by the IRS from taxpayers across this country, \$67  
270 million has been given out to Navigators across the Nation,  
271 and we don't know the purpose of that money.

272 Now, I am going to reference an article from August 4 of  
273 2012, so this is over a year ago it appeared in the ``New  
274 York Times.'' The article says, ``Federal officials are  
275 looking for private contractors to provide in-person  
276 assistance to consumers and to operate call centers. A  
277 contractor will also help the government decide who gets  
278 federal subsidies, expected to average \$6,000 a person, and  
279 who is exempt from the tax penalties that will be imposed on  
280 people who go without insurance.''



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281           Again, this is August 4 of 2012, so it is not like the  
282 agency didn't know this was coming. The article goes on to  
283 say, ``Mr. Hash, the Director of the Federal Office of Health  
284 Reform, said that federal exchanges will operate essentially  
285 in the same manner as the state-based exchanges, however,  
286 they differ in a significant way. States have done their  
287 work in public, but planning for the federal exchanges has  
288 been done almost entirely behind closed doors.''

289           I think that is one of the problems that many of us on  
290 this committee have with that.

291           ``Sabrina Corlette,' ' continuing in the article,  
292 ``Sabrina Corlette, a Research Professor at Health Policy  
293 Institute of Georgetown University, said the federal  
294 exchanges were much more opaque than the state exchanges.''  
295 You have to wonder what value is there in opacity in that  
296 situation from an Administration who said it valued  
297 transparency.

298           Yesterday morning people who received their copy of the  
299 ``Wall Street Journal,' ' were greeted with the headline,  
300 ``Burden Shifts on Insurance. Firms Change Health Coverage,  
301 Walgreen to Give Workers Payments to Buy Plans.' ' You know,

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302 when the healthcare law was sold by the President across this  
303 country, it was sold with the admonition if you like what you  
304 have, you can keep it. If you like your doctor, you can keep  
305 your doctor. If you like your health plan, you can keep your  
306 health plan but apparently not if you work for Walgreen's.

307       You know, we get criticized on this side of the dais  
308 because of attempts to reign in the Affordable Care Act. No  
309 apology for the number of times that legislation has come to  
310 the Floor of the House to try to pull this thing back. It  
311 has never been popular, it has never enjoyed popular support,  
312 it is becoming increasingly clear how dangerous this law is  
313 to people's health and healthcare, how dangerous it is to our  
314 economy.

315       But seven times the President has signed one of those  
316 bills into law. So gone are the 1099 provisions, gone are  
317 the Class Act, gone are several other things. But here is a  
318 point that people miss. Seven other times the President has  
319 decided himself that parts of the law were unimportant, and  
320 the law that he signed was not, in fact, going to endure.  
321 What about the Pre-Existing Condition Program? This law was  
322 sold on the backs of people with pre-existing conditions

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323 across this country, and yet when someone showed up on  
324 February 1 of this year to enroll in the PECP Program, they  
325 were told, sorry, sister, the program is closed. So for 11  
326 months people with pre-existing conditions who had been  
327 promised relief are just simply wondering the country  
328 wondering what they are supposed to do.

329 The shop exchanges were supposed to open January 1,  
330 2014. You put it off to 2015. Removing the reporting  
331 requirements and relying on self-attestation, delaying final  
332 contracts with contractors, delaying the employer mandate,  
333 removing out-of-pocket caps, no premium information. This  
334 was promised to me by the Administrator of CMS--

335 Mr. {Murphy.} The gentleman's time--

336 Dr. {Burgess.} --in July in this committee, that I  
337 would have this information by September 15. Mr. Cohen, we  
338 are going the long way now to September 15 and if you go--

339 Mr. {Murphy.} The gentleman's time--

340 Dr. {Burgess.} --to the website today on  
341 healthcare.gov, it says come back and see us in a few weeks.  
342 We are busy trying to get it ready.

343 Thank you, Mr. Chairman, for your indulgence. I will

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344 yield back my time.

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

346 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
347 Mr. {Murphy.} Thank you. Now go to Ms. DeGette for 5  
348 minutes.

349 Ms. {DeGette.} Thank you very much, Mr. Chairman.  
350 Before I make my opening statement I would like to recognize  
351 the newest member of the Energy and Commerce Committee,  
352 Congressman John Yarmuth from Kentucky. We are very glad to  
353 have him.

354 [Applause.]

355 Ms. {DeGette.} And I would ask unanimous consent to  
356 allow him to participate in the hearing today. He doesn't  
357 have subcommittee assignments yet, but we know he is going to  
358 be on this fabulous subcommittee very soon.

359 Mr. {Murphy.} Without objection.

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

361 Mr. Chairman, we have spent more than our share of time  
362 in this subcommittee on the Affordable Care Act talking about  
363 implementation. It is our seventh hearing this year, and we  
364 really haven't seen any problems come up in all the hearings.  
365 So I want to thank Mr. Cohen for coming back again during a  
366 very busy time in his schedule as the exchanges open on

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367     October 1.

368             On this subcommittee it is our job to unearth the facts  
369     in an objective and non-partisan manner. So with 2 weeks to  
370     go before the marketplaces go live, I want to talk for a  
371     moment about what we have seen this year.

372             We have obtained documents and conducted extensive  
373     investigation of health insurance premiums under the ACA, and  
374     what did we find out? The ACA is going to allow millions of  
375     Americans to obtain affordable insurance for the first time  
376     ever. HHS this week released a new report showing that  
377     nearly six in ten currently uninsured Americans, 23.2 million  
378     people, would be eligible to get insurance coverage for under  
379     \$100 a month. A Kaiser Family Foundation study released  
380     earlier this month concluded that premiums are generally  
381     lower than expected. A new RAM study reached similar  
382     conclusions.

383             The facts also show that individuals with health  
384     insurance coverage are already benefiting from the Act. The  
385     HHS revealed that 6.8 million customers saved an estimated  
386     \$1.2 billion on their premiums in 2012, due to the rate  
387     review provisions in the ACA.

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388           This committee also conducted an investigation into the  
389 contractors responsible for implementing the ACA's  
390 marketplaces. This was one of my favorite hearings because  
391 what did the facts show? They showed that the contractors  
392 will be ready on October 1, that they are taking appropriate  
393 steps to protect consumer privacy, and as an added benefit,  
394 they are creating thousands of jobs.

395           Last month, Mr. Chairman, you opened an investigation  
396 into the ACA Navigator Program. That is what we are here  
397 today for. You sent dozens of letters to dozens of civic and  
398 community groups that received grants to help their neighbors  
399 sign up for ACA benefits. In a letter to Chairman Upton,  
400 Ranking Member Waxman expressed his concern that this  
401 investigation was designed not to enlighten the committee but  
402 to intimidate the Navigators, and I am sorry to say I kind of  
403 agree with those criticisms.

404           There seems to be little reason to put these burdens on  
405 the Navigators just as they were starting to get their work  
406 going with the public, and the Committee's investigation  
407 shows there is no basis for the allegations about the  
408 Navigators.

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409           Yesterday the minority staff released a supplemental  
410 memo summarizing its review of the Navigator documents. Mr.  
411 Chairman, I would like to ask that that be made part of the  
412 record.

413           Mr. {Murphy.} Without objection.

414           [The information follows:]

415           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*



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|

416           Ms. {DeGette.} The investigation found that Navigators  
417 would help millions of people obtain health insurance  
418 coverage. They have extensive experience assisting  
419 individuals with federal and state benefit programs. Most  
420 Navigators are non-profit, non-partisan community service  
421 providers, and they have effective privacy provisions in  
422 place. Those are the facts, and they show good news.

423           Mr. Chairman, you talked in your opening statement about  
424 these false Navigators that are going door to door, and that  
425 is a concern. That is why we have to have the real  
426 Navigators in place so they can sign people up, and just  
427 yesterday HHS, DOJ, and the FTC announced a massive anti-  
428 fraud effort. I would suggest we all work together to stop  
429 any kind of fraud in the system and with that, Mr. Chairman,  
430 I want to yield the balance of my time to Representative  
431 Castor.

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

433           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
434 Ms. {Castor.} Well, I thank the Ranking Member for  
435 yielding time.

436 I wanted to relay today the enthusiasm I am hearing back  
437 home from so many of my neighbors, particularly when it comes  
438 to now the bar against discrimination for our neighbors who  
439 have pre-existing conditions. Just over the past few weeks I  
440 have met with leaders and communities with multiple  
441 sclerosis, diabetes, HIV Aids, cancer that now see hope.  
442 They have hope because they will be able to get insurance for  
443 a change and not be discriminated against.

444 Now, since September of 2010 children with these chronic  
445 diseases and chronic conditions have been able to get  
446 insurance in the greater Tampa Bay area. That has meant  
447 237,000 children have been able to get insurance where before  
448 they couldn't. Now, beginning January 1 this will apply to  
449 adults. So they are particularly enthused, but at the same  
450 time they are very troubled by the Republican obstruction and  
451 sabotage. They don't understand why now people are going to  
452 block access to the doctor's office and affordable care.

453 So I look forward to discussing that today.

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

455 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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|  
456 Mr. {Murphy.} Thank you. The gentlelady's time has  
457 expired.

458 By the way, I also want to recommend the Chairman of  
459 Environment and the Economy here, Mr. Shimkus, is going to  
460 sit on this hearing. Thank you for being here.

461 I will now swear in the witness.

462 I will introduce him. Mr. Cohen is the Deputy  
463 Administrator and Director of the Center for Consumer  
464 Information and Insurance Oversight, recently served as  
465 General Counsel for California Health Benefits Exchange, and  
466 we will swear in the witness.

467 [Witness sworn.]

468 Mr. {Murphy.} You are now under oath and subject to the  
469 penalties set forth in Title XVIII, Section 1001 of the  
470 United States Code. You may now please give a 5-minute  
471 summary of your written testimony.

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|  
472 ^TESTIMONY OF GARY COHEN, DEPUTY ADMINISTRATOR AND DIRECTOR,  
473 CENTER FOR CONSUMER INFORMATION AND INSURANCE OVERSIGHT,  
474 CENTERS FOR MEDICARE AND MEDICAID SERVICES, U.S. DEPARTMENT  
475 OF HEALTH AND HUMAN SERVICES

476 } Mr. {Cohen.} Good morning, Chairman Murphy, Ranking  
477 Member DeGette, and members of the subcommittee. I look  
478 forward to answering your questions regarding CMS's ongoing  
479 work to implement the Affordable Care Act, including the  
480 Navigator Program.

481 As we approach the beginning of open enrollment, CMS and  
482 all of our partners across the country are focused on helping  
483 people sign up for affordable healthcare coverage that begins  
484 on January 1. We are already seeing the competition works.  
485 The creation of new marketplaces is encouraging insurers to  
486 offer plans at competitive rates.

487 As a result, in 16 states preliminary rates are 19  
488 percent less expensive than the CBO projected. States are  
489 using their improved rate review powers to help keep rates  
490 affordable, and according to recent estimates as

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491 Congresswoman DeGette mentioned, many consumers may be able  
492 to pay \$100 or less per person per month for coverage in  
493 2014.

494 When open enrollment begins on October 1, it is one more  
495 step towards putting in place one of the core promises of the  
496 Affordable Care Act, affordable, accessible health coverage  
497 that begins next year. We are working hard to ensure that  
498 consumers have the information they need about their coverage  
499 options. Healthcare.gov has received more than 3 million  
500 unique visits since its re-launch this summer, and as  
501 required by the law, CMS has awarded grants to over 100  
502 organizations to serve as Navigators.

503 These grantees are groups and organizations with a  
504 proven ability to reach out to likely marketplace consumers  
505 in their local communities. Navigators include the  
506 Pennsylvania Association of Community Health Centers, which  
507 since 1981, has been supporting community health centers  
508 across the state in their mission of providing access to  
509 quality primary healthcare. There are organizations like  
510 Ascension Healthcare, which is the Nation's largest Catholic  
511 and non-profit health system, the Martin Luther King Health

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512 Center, which has been serving the people in Shreveport,  
513 Louisiana, since 1986, the University of Mississippi Medical  
514 Center, the United Way of Metropolitan Tarrant County, which  
515 will be collaborating with 17 other organizations in  
516 assisting Texas residents and which has been helping people  
517 in the Fort Worth and Arlington areas for 90 years, and the  
518 University of Georgia, which was founded in 1785, as the  
519 Nation's first state-chartered university.

520 I find the suggestion that these organizations, that the  
521 United Way or the University of Georgia or any of the rest  
522 are going to prey on people by stealing their identities to  
523 be utterly without foundation. Helping people is the reason  
524 that these organizations exist.

525 Navigators are prepared to provide accurate and  
526 impartial assistance to consumers shopping for health  
527 insurance coverage. They will be required to adhere to  
528 strict privacy and security standards including how to  
529 safeguard a consumer's personal information. Navigators will  
530 be required, the individuals will be required to complete  
531 approximately 20 hours of initial training to be certified,  
532 will take additional training throughout the year, and will

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533    renew their certification yearly.

534           The work they will be doing is similar to work that has  
535    been done for years by SHPS to help Medicare beneficiaries  
536    understand their options. I find it really unfortunate that  
537    many of these organizations are facing distracting scrutiny  
538    while they prepare to begin this important work.

539           One organization, a group prepared to serve individuals  
540    in four states, withdrew from the program as a result of this  
541    scrutiny. This type of scrutiny risks creating an  
542    insinuation that these well-respected organizations and  
543    institutions like food banks, large state universities, and  
544    United Way chapters have somehow done something inappropriate  
545    before they have spoken to a single consumer. These groups  
546    are trying to do the same type of work they have done in  
547    their communities for years and in some cases decades, and it  
548    is unfortunate that they are the subject of inquiries that  
549    suggest they are doing something wrong by helping people in  
550    their communities enroll in healthcare coverage. They are  
551    feeling obligated to spend time responding to inquiries and  
552    insinuations that they are hiring unqualified staff or won't  
553    follow federal grant regulations instead of beginning the



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554 task of helping people in their communities. It is  
555 disappointing that their resources and attention have been  
556 diverted at this critical time.

557 I have been asked countless times over the last year  
558 whether we will be ready for day one, and it often brings to  
559 my mind the implementation of Medicare Part D. Now, I wasn't  
560 at CMS during Medicare Part D implementation, but I read the  
561 news stories like everyone else, and I understand that there  
562 were some serious challenges; seniors not enrolled correctly  
563 in plans, beneficiaries turned away from pharmacies without  
564 their medications. But CMS solved these problems, and the  
565 Part D Program is now strong and successful.

566 And if you ask beneficiaries about Part D today you  
567 won't hear, oh, that is the program that had so many problems  
568 when it launched. Instead you will hear, that is the program  
569 that helps me afford my medication.

570 And I believe that will be the story of the Affordable  
571 Care Act. The people actually benefiting from the law won't  
572 be talking about what happened on October 1 or on January 1.  
573 They will talk about how their child can get health coverage  
574 even though he has a pre-existing condition. They will talk

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575 about how they no longer have to pay more for premiums just  
576 because they are women. They will talk about how they  
577 finally decided they could retire because they can now afford  
578 coverage they buy on their own. They will talk about the  
579 security of not having to face bankruptcy due to a diagnosis.

580 We may encounter some bumps when open enrollment begins,  
581 but we will solve them because it is what we do. We are here  
582 to help people get health insurance, and we at CMS take this  
583 responsibility very seriously.

584 Thank you, and I am happy to answer your questions.

585 [The prepared statement of Mr. Cohen follows:]

586 \*\*\*\*\* INSERT 1 \*\*\*\*\*

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|  
587           Mr. {Murphy.} Thank you. I now recognize myself for 5  
588 minutes and start out by saying, Mr. Cohen, I want you to  
589 understand the function of this committee. Lack of readiness  
590 or preparation on your part does not constitute a reason that  
591 Congress gives up its responsibilities to have oversight. So  
592 I hope you have an open mind as we go through this. You have  
593 previously been here at a hearing before. You told us  
594 everything was fine. It was like the scene in ``Animal  
595 House,'' where the person is saying, remain calm, all is well  
596 while chaos reigns.

597           So let me ask you a few things here. On July 22 members  
598 of this committee wrote to Secretary Sebelius requesting  
599 information on the price of health insurance to be offered in  
600 the federal and federal state exchanges. HHS still hasn't  
601 announced the approved plans and premium prices. Am I  
602 correct?

603           Mr. {Cohen.} That is true.

604           Mr. {Murphy.} Okay. Now, that letter was sent  
605 requesting what plans and prices would be available to  
606 consumers in the federal exchanges. When will this

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607 information be made public?

608 Mr. {Cohen.} Consumers will be able to go online and  
609 see what plans are available to them on October 1.

610 Mr. {Murphy.} So are you able today with less than 2  
611 weeks before enrollment begin to provide any information on  
612 prices and availability for federal exchanges?

613 Mr. {Cohen.} My understanding is that we will be  
614 putting out some information on rates soon.

615 Mr. {Murphy.} And certainly it is important for the  
616 Navigators to know what kind of products they are selling,  
617 and training was essential for that. So they do not have  
618 this information, yet, either?

619 Mr. {Cohen.} Navigators will not be selling any  
620 products.

621 Mr. {Murphy.} They will be advising people about  
622 products that they can then choose themselves. Am I correct?

623 Mr. {Cohen.} They will be advising, providing  
624 information, impartial information about consumers' options  
625 for purchasing affordable healthcare through the  
626 marketplaces. Yes.

627 Mr. {Murphy.} I understand that, which is advising them

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628 of the things the person can then choose.

629 So turning to the Navigators more, now, originally this  
630 program was intended to cost 54 million. Correct?

631 Mr. {Cohen.} At one time we put out a funding  
632 opportunity announcement for 54 million.

633 Mr. {Murphy.} That is right, and then you ended up  
634 spending 67 million. Correct?

635 Mr. {Cohen.} We increased in order to be able to  
636 provide more outreach--

637 Mr. {Murphy.} Right.

638 Mr. {Cohen.} --and more help for people across--

639 Mr. {Murphy.} Well, in June, 2013, a GAO report stated  
640 CMS expected to spend 54 million in the program. Are you  
641 familiar with that report?

642 Mr. {Cohen.} There have been a lot of GAO reports.

643 Mr. {Murphy.} Well, this relates to what you do for a  
644 living, so I would hope you would see that one. On July 21,  
645 2013, CMS Administrator, Marilyn Tavenner, wrote to this  
646 committee answering some questions we had about Navigator  
647 Program. In that letter she stated that the Navigator  
648 Program would cost 54 million. Two weeks later HHS announced

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649 that the Navigator grants would total 67 million, a \$13  
650 million increase.

651 So when did HHS make that decision to increase funding  
652 for the Navigator Program? Do you have any idea of the date  
653 of that?

654 Mr. {Cohen.} I do not.

655 Mr. {Murphy.} And what funding did HHS use for this 13  
656 million increase in the budget for what you do?

657 Mr. {Cohen.} I am sure we can get that information for  
658 you.

659 Mr. {Murphy.} You have no idea? Suddenly it appeared  
660 and you don't know where it came from?

661 Mr. {Cohen.} No. I know that we have had an ongoing  
662 interest in making sure that we can do as much outreach and  
663 help as many people get enrolled in coverage as possible, and  
664 additional resources were--

665 Mr. {Murphy.} Yesterday the Administration announced  
666 new initiatives to combat fraud under the Healthcare Law by  
667 creating a call center along with rapid-response measures to  
668 address privacy and cyber security issues. Can you address  
669 what these will entail?

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670           Mr. {Cohen.} I know that we have a call center now.  
671 The call center is live now. I think the announcement was  
672 that there will be a way for people to report any instances  
673 of fraud, and we are working interagency to work with the  
674 FDC, for example, to make sure that the appropriate people  
675 get that information.

676           Mr. {Murphy.} So you agree the potential for fraud  
677 exists then?

678           Mr. {Cohen.} There has actually been fraud before the  
679 Affordable Care Act, and so this is not the first program  
680 that has ever been subject to fraud, and I imagine that there  
681 will be fraud that occurs.

682           Mr. {Murphy.} But you are aware it is a possibility,  
683 and you are going to watch this very carefully?

684           Mr. {Cohen.} We are.

685           Mr. {Murphy.} We will be following up on that. Now,  
686 privacy is extremely important. Are the Navigators bound by  
687 the HIPAA laws with regard to the laws for like healthcare  
688 people and--

689           Mr. {Cohen.} Well, the Navigators will have absolutely  
690 no access to personal health information.

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691           Mr. {Murphy.} But they may get some in the process.  
692   Someone may say which plan will cover, I have this kind of an  
693   illness, I have this sort of problem. They may get that not  
694   necessarily soliciting it, and so will there be any laws  
695   binding them to confidentiality in not keeping those records.

696           Mr. {Cohen.} Well, the terms of the grant and the terms  
697   of the cooperative agreement that we have with Navigators  
698   spells out very clearly their obligations with respect to  
699   keeping--

700           Mr. {Murphy.} Correct, but I know I talked to one  
701   navigator group from Pennsylvania who I think is going to do  
702   a good job on this because they are already bound by HIPAA  
703   laws but not all have that in terms of how they will keep  
704   their records, what they will tell employees to do. And so  
705   my question is are there any laws in place that prevent  
706   people from maintaining or sharing information that may be  
707   healthcare related?

708           Mr. {Cohen.} So there are, and the Affordable Care Act  
709   in particular provides a \$25,000 fine per occurrence if  
710   anyone uses any information obtained in the course of helping  
711   someone.



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712 Mr. {Murphy.} That is obligation for the Navigators?

713 Mr. {Cohen.} Yes.

714 Mr. {Murphy.} Okay. Will Navigators be going door to  
715 door?

716 Mr. {Cohen.} We will be issuing instructions to  
717 Navigators that they should not be going door to door.

718 Mr. {Murphy.} So that will be the ruling you will have  
719 with 2 weeks left, they will not be doing that?

720 Mr. {Cohen.} That is right.

721 Mr. {Murphy.} They will remain in other public places?

722 Mr. {Cohen.} They can't be enrolling anyone now because  
723 no one can be enrolling now, so in terms of going door to  
724 door to solicit people to enroll in coverage, they will be  
725 instructed not to do that, and it is timely because no one  
726 can be going door to door enrolling anyone because no one can  
727 enroll today.

728 Mr. {Murphy.} Thank you.

729 I now recognize Ms. DeGette for 5 minutes.

730 Ms. {DeGette.} Thank you, Mr. Chairman.

731 Now, briefly, Mr. Cohen, what is the purpose of the  
732 Navigator Program?

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733           Mr. {Cohen.} The purpose of the Navigator Program is to  
734 educate people with respect to the benefits under the  
735 Affordable Care Act and then to provide objective, impartial  
736 help to them if they want it, in finding out what they are  
737 eligible for and enrolling in coverage.

738           Ms. {DeGette.} And can you move your mike a little  
739 closer? Thanks. And who decides who these certified  
740 Navigators are going to be?

741           Mr. {Cohen.} We had a grants process much like every  
742 grant that is processed--

743           Ms. {DeGette.} So you had a panel that edited the  
744 applications, and they tried to choose people who had  
745 experience and some kind of presence in the community.  
746 Correct?

747           Mr. {Cohen.} First they were screened by the Office of  
748 Grants Management at CMS and then there was an independent  
749 panel that selected the ones that had scored--

750           Ms. {DeGette.} Okay, and in order to receive a  
751 Navigator grant, the applicant has to demonstrate they have  
752 existing relations or could establish relationships with  
753 employers. Is that correct?

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754 Mr. {Cohen.} Correct.

755 Ms. {DeGette.} And Navigator awardees have to complete  
756 a training program, including 20 to 30 hours of an HHS-  
757 developed program. Is that right?

758 Mr. {Cohen.} That is true.

759 Ms. {DeGette.} And they have to pass an exam. Is that  
760 right?

761 Mr. {Cohen.} Yes.

762 Ms. {DeGette.} And part of that exam includes  
763 understanding privacy and affordability programs. Is that  
764 right?

765 Mr. {Cohen.} Yes.

766 Ms. {DeGette.} So those people to get the Navigator  
767 grants, they have to certify that they are going to comply  
768 with any privacy of HIPAA or any other law. Is that correct?

769 Mr. {Cohen.} Right.

770 Ms. {DeGette.} Now, under the Affordable Care Act--let  
771 me back up. Right now when somebody signs up before the ACA,  
772 when they signed up for health insurance, people would often  
773 have to fill out applications as long as 35 pages. Is that  
774 correct?

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775 Mr. {Cohen.} That is right.

776 Ms. {DeGette.} And those applications included  
777 divulging all kinds of personal medical information because  
778 that was necessary for the insurance companies to figure out  
779 what the insurance rates, because they could discriminate on  
780 pre-existing condition and gender and all kinds of other  
781 issues. Right?

782 Mr. {Cohen.} Right.

783 Ms. {DeGette.} But right now under the ACA none of that  
784 pre-existing condition information is even relevant. Isn't  
785 that right?

786 Mr. {Cohen.} That is true.

787 Ms. {DeGette.} So to sign up on the marketplaces and  
788 exchanges, people aren't even going to have to divulge that  
789 kind of information. Is that right?

790 Mr. {Cohen.} That is true.

791 Ms. {DeGette.} So even if a navigator went to the door  
792 and was trying to explain to somebody about the exchanges,  
793 they wouldn't have to get that information from somebody.  
794 Right?

795 Mr. {Cohen.} It is not part of the application.

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796 Correct.

797 Ms. {DeGette.} Right, but even if somebody just kind of  
798 off-handedly talked about their information, the Navigator  
799 would be trained that that is private. Right?

800 Mr. {Cohen.} Correct.

801 Ms. {DeGette.} Okay. Now, I want to ask you some other  
802 questions about the marketplaces. Now, are the marketplaces  
803 going to be up and going on October 1?

804 Mr. {Cohen.} They will.

805 Ms. {DeGette.} Is the federal exchange going to be up  
806 and going on October 1?

807 Mr. {Cohen.} It will.

808 Ms. {DeGette.} And that goes, as I understand, people  
809 can go on the marketplace for a 6-month period to sign up.  
810 Is that correct?

811 Mr. {Cohen.} That is true.

812 Ms. {DeGette.} So if somebody wanted, somebody like,  
813 for example, a member of Congress, wanted to go on the  
814 federal marketplace and look and see what plans were  
815 available, they could go on October 1. Right?

816 Mr. {Cohen.} They will.

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817           Ms. {DeGette.} But then they would have some additional  
818 time to sort through all those plans and figure out what they  
819 wanted. Is that right?

820           Mr. {Cohen.} Yes.

821           Ms. {DeGette.} Now, if they do sign up, their coverages  
822 starts January 1, 2014. Is that right?

823           Mr. {Cohen.} That is the earliest they can start. Yes.

824           Ms. {DeGette.} Right. Now, 23 states including  
825 Colorado and the District of Columbia are either running  
826 their own marketplaces or they are doing a marketplace in  
827 partnership with the Federal Government. Is that correct?

828           Mr. {Cohen.} Yes.

829           Ms. {DeGette.} Will those states be ready for  
830 enrollment for the start of coverage on January 1?

831           Mr. {Cohen.} My understanding from our communications  
832 with the states is that all of them will be opening for open  
833 enrollment on October 1.

834           Ms. {DeGette.} Okay. Now, can you give me a sense of  
835 the milestones and benchmarks that this subcommittee should  
836 be looking at to measure the progress over the next few weeks  
837 and months, because we keep hauling people in here.

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838 Everybody says they are ready. So I would like to know what  
839 are the benchmarks that we should be looking for?

840 Mr. {Cohen.} Well, I think that there are two types of  
841 benchmarks. One are the sort of internal types of  
842 benchmarks, how is the call center response time working, how  
843 is the website working, you know, those kinds of things that  
844 just--how are our systems functioning, and then, of course,  
845 there are the external, you know, how many people are getting  
846 enrolled. I would say that we don't anticipate a huge amount  
847 of enrollment necessarily in October because as you've  
848 pointed out coverage starts in January, and people have until  
849 December 15 to pay their premium.

850 Ms. {DeGette.} Right. Okay, and I guess you are  
851 prepared if there are glitches to address those glitches  
852 quickly. Is that right?

853 Mr. {Cohen.} Absolutely. We are very well mobilized.

854 Ms. {DeGette.} Mr. Chairman, I just want to say one  
855 more thing. I said this before, but when we did Medicare  
856 Part D, even though I voted against it and I opposed it, I  
857 did outreach to my constituents, and I got my newsletter that  
858 I sent out to everybody. I will let you look at it if you

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859 want to. We can put it in the record, but I would suggest to  
860 everybody on both sides of the aisle, it is incumbent to all  
861 of us as elected officials to try to get as many people  
862 enrolled in this program as we can who don't have insurance  
863 now. I think it would be a good idea. I hope it works, and  
864 I think we should all hope it works.

865 Thank you.

866 Mr. {Murphy.} Thank you, and I hope that all those  
867 people from IBM, Xerox, and UPS who have been cut from their  
868 insurance plan will be able to look at that.

869 I now yield 5 minutes to Mr. Burgess.

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

871 Mr. Cohen, if I have heard correctly in response to a  
872 question from Chairman Murphy, you said that the Navigators  
873 would not be going door to door. Is that correct?

874 Mr. {Cohen.} The federal grantees will be getting  
875 instructions that Navigators are not to go door to door for  
876 the purposes of enrolling anyone. Yes.

877 Dr. {Burgess.} Could I ask you? You have an evidence  
878 binder there next to you. Could I ask you to turn for a  
879 moment to Tab 2 in that binder? All right. In that project



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880 abstract summary, so I assume this is the summary that the  
881 company or the group provided you in their application to  
882 receive monies from the Navigator Grant Program. The second  
883 paragraph of that summary reads, ``The proposed program will  
884 deploy 25 exchange Navigators in each of the targeted  
885 counties. Exchange Navigators will seek out uninsured  
886 eligible country residents by going door to door.''

887 Is that consistent with your statement to Chairman  
888 Murphy that the Navigators would not be going door to door?

889 Mr. {Cohen.} Sure. We are going to tell them they  
890 shouldn't be going door to door, and I am sure they are going  
891 to abide by our terms and conditions.

892 Dr. {Burgess.} But they applied for a grant, and they  
893 told you that they are going to seek out eligible individuals  
894 by going door to door. Did you read the application?

895 Mr. {Cohen.} So first of all I want to say I have never  
896 seen this before. I had no role at all in the grant award  
897 process, so I am seeing it for the first time now. I  
898 understand that that is what they said in there. I see those  
899 words. They are going to be instructed from us as part of  
900 our agreement with them not to go door to door, and I am

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901     confident, Congressman, they will obey that instruction.

902             Dr. {Burgess.}   Well, then I have this question for you.

903     Do you know how many money they received in their grant?

904             Mr. {Cohen.}    I would have to look it up.

905             Dr. {Burgess.}   It was \$1.2 million.   I will help you.

906     My next question is can we have the money back?   They

907     provided an application to you which was approved in the

908     Navigator Program and yet they outlined an activity which you

909     said is going to be expressly prohibited.

910             Mr. {Cohen.}    I am confident they will find other

911     activities that will very well suited to helping people get

912     enrolled in coverage and that they will be a wonderful

913     grantee.

914             Dr. {Burgess.}   I am confident the taxpayer would like

915     to have their \$1.2 million back if the grant application was

916     approved based on information which you said would make it

917     ineligible for approval.

918             Mr. {Cohen.}    I didn't say that, Congressman.

919             Dr. {Burgess.}   Let me ask you this, and I have a series

920     of questions, and in the time-honored tradition of this

921     committee, I am going to ask for a yes or no response.   Will

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922 the enrollment process be ready October 1 of this year?

923 Mr. {Cohen.} Consumers will be able to go online, they  
924 will be able to get a determination of what tax subsidies  
925 they are eligible for, they will be able to look at the plans  
926 that are available where they live, they will be able to see  
927 the premium net of subsidy that they would have to pay, and  
928 they will be able to choose a plan and get enrolled in  
929 coverage beginning October 1.

930 Dr. {Burgess.} Let me rephrase the question. Will the  
931 enrollment process be ready by October 1 of this year?

932 Mr. {Cohen.} I have nothing further to add to my  
933 answer.

934 Dr. {Burgess.} Your answer sounded as if it could be a  
935 yes but left room for a no. So we will mark down an  
936 equivocal response to that question.

937 Will the exchanges be ready on January 1 of 2014?

938 Mr. {Cohen.} It is the same answer.

939 Dr. {Burgess.} Consumers will be able--

940 Mr. {Cohen.} To go online, get a determinant of what  
941 they are eligible for in terms of the subsidy, find out what  
942 the subsidy amount is. They will then be able to go and look

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943 at the plans that are available to them where they live, and  
944 they will be able to see the premium net of subsidy, and they  
945 will be able to choose a plan and get enrolled in a plan  
946 beginning October 1.

947 Dr. {Burgess.} And that will be ready on January 1 of  
948 2014?

949 Mr. {Cohen.} That will be ready on October 1. That is  
950 my understanding. Yes.

951 Dr. {Burgess.} Not your understanding. I need a yes or  
952 no answer. You are in charge.

953 Mr. {Cohen.} Well, my answer is based on what I have  
954 been told by the people who are building the IT System. So  
955 it is my understanding.

956 Dr. {Burgess.} Will full implementation of the law on  
957 January 1 cause employers to alter or drop coverage for their  
958 employees? Yes or no?

959 Mr. {Cohen.} I don't know the answer to that question.  
960 I know that employers make lots of decisions for lots of  
961 reasons.

962 Dr. {Burgess.} Okay.

963 Mr. {Cohen.} Some having to do with the Affordable Care

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964 Act, many having nothing to do with the Affordable Care Act.

965 Dr. {Burgess.} I guess that is a no. Will full

966 implementation of the law on January 1 result in reduced

967 costs for all Americans as routinely promised by their

968 President?

969 Mr. {Cohen.} Without accepting your characterization of

970 what the President said, I think what we are seeing that

971 competition in the marketplace is causing competitive rates

972 to be available to many consumers.

973 Dr. {Burgess.} After full implementation of the law on

974 January 1, will all Americans still be able to keep their

975 current coverage if they like it as promised by the

976 President?

977 Mr. {Cohen.} Again, without accepting your

978 characterization of what the President said, grandfather

979 plans are allowed to continue to exist without change under

980 the Affordable Care Act. It is up to private insurance

981 companies what products they offer in the market.

982 Dr. {Burgess.} Thank you, Mr. Chairman. I hope we have

983 time for additional questions, but I will yield back at this

984 point.

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985           Mr. {Murphy.} The gentleman yields back.

986           Mr. Dingell, you are now recognized for 5 minutes.

987           Mr. {Dingell.} I commend you for these hearings. It is  
988 important that we have proper, friendly, sympathetic, and  
989 intelligent oversight to get this program off its feet and  
990 going in the direction that we want it to go. This  
991 subcommittee has a long and successful record of conducting  
992 such oversight, and it has informed the full committee of the  
993 Congress of critical facts. Used properly, strong  
994 Congressional oversight will lead to much good for the  
995 American people.

996           I am fearful that this current investigation into the  
997 Navigator Program might be turning into something less  
998 desirable, and I hope that we will work together to avoid it.  
999 One of Michigan's Navigators is a group called Access, a  
1000 community-based social services organization I have worked  
1001 with for more than 40 years. There is nobody that knows our  
1002 communities better than them, and this is exactly the type of  
1003 group that we should be empowering to help people sign up for  
1004 health coverage. They are an institution which believe it or  
1005 not serves all parts of the society, all racial groups, all

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1006 religious groups, and does so without discrimination  
1007 whatsoever.

1008 My questions are going to focus on strong protections  
1009 that exist in the Navigator Program and the status of ACA  
1010 implementation. My questions will elicit yes or no answers.

1011 I am assuming, Mr. Cohen, that all of your Navigators  
1012 meet all of the standards of any Federal Government  
1013 contractor. Is that right?

1014 Mr. {Cohen.} It is a grant program. Yes.

1015 Mr. {Dingell.} In regards to discipline, integrity, and  
1016 proper behavior. Is that right?

1017 Mr. {Cohen.} Yes.

1018 Mr. {Dingell.} All right, and I hope as you need you  
1019 will submit additional answers and responses to the questions  
1020 for the record.

1021 Are there grants CMS recently awarded to Navigators  
1022 required by the Affordable Care Act? Yes or no?

1023 Mr. {Cohen.} Yes.

1024 Mr. {Dingell.} Is the training Navigators must go  
1025 through comparable to the training of agents and brokers who  
1026 currently sell health insurance? Yes or no?

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1027           Mr. {Cohen.}   Yes.

1028           Mr. {Dingell.}   Does the Navigator training include  
1029 information as to how to protect the privacy and security of  
1030 consumers?   Yes or no?

1031           Mr. {Cohen.}   Yes.

1032           Mr. {Dingell.}   Are Navigators subject to the same kind  
1033 of careful screening as other entities seeking to do business  
1034 with the Federal Government?   Yes or no?

1035           Mr. {Cohen.}   Yes.

1036           Mr. {Dingell.}   Will the Navigator grantees be overseen  
1037 in the same way as other CMS grantees are overseen and held  
1038 to the terms of their grants?

1039           Mr. {Cohen.}   Yes.

1040           Mr. {Dingell.}   Now I would like to move to talking more  
1041 about the opening of the new marketplaces which are less than  
1042 2 weeks away.

1043           In 2012, were insurers much less likely than in previous  
1044 years to request rate increases of 10 percent or more?   Yes  
1045 or no?

1046           Mr. {Cohen.}   Yes.

1047           Mr. {Dingell.}   Would you submit for the record why that



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1048 is so?

1049 Mr. {Cohen.} Yes.

1050 Mr. {Dingell.} Do you believe that the rate review  
1051 provision in the Affordable Care Act is a factor which led to  
1052 this behavioral change on the part of insurers? Yes or no?

1053 Mr. {Cohen.} Yes.

1054 Mr. {Dingell.} Do you believe that the marketplaces are  
1055 working as intended by making insurers compete over price on  
1056 the business of consumers? Yes or no?

1057 Mr. {Cohen.} Yes.

1058 Mr. {Dingell.} Is it your expectation that the  
1059 consumers will have more and better information because of  
1060 the structure of the marketplaces?

1061 Mr. {Cohen.} Yes.

1062 Mr. {Dingell.} Would you submit some additional  
1063 thoughts on that, please.

1064 Now, in the 16 states for which we have data, our  
1065 preliminary rates for health insurance in the marketplace, 19  
1066 percent less expensive than predicted.

1067 Mr. {Cohen.} Yes.

1068 Mr. {Dingell.} Would you submit additional comments on

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1069 that point, please.

1070 Have some insurers submitted bids to participate in the  
1071 marketplace only to revise these bids and reduce their prices  
1072 when other insurers' rates came in lower? Yes or no?

1073 Mr. {Cohen.} Yes.

1074 Mr. {Dingell.} Would you submit additional information  
1075 on that question, please.

1076 Will nearly half of consumers likely be able to pay \$100  
1077 or less per person for coverage in 2014? Yes or no?

1078 Mr. {Cohen.} Yes.

1079 Mr. {Dingell.} Would you submit additional information  
1080 for the record on that point, please.

1081 Now, is it correct that eight and ten marketplace  
1082 consumers are expected to qualify for subsidies to make  
1083 health coverage more affordable? Yes or no?

1084 Mr. {Cohen.} Yes.

1085 Mr. {Dingell.} Would you submit additional comments on  
1086 that, please.

1087 Now, we are just a few days away from seeing the full  
1088 implementation of the Affordable Care Act. I know that there  
1089 may be some bumps in the road, but we are headed for the

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1090 right direction. American people are suggesting us to set  
1091 politics aside and work together for the common good. I am  
1092 hopeful that we will take this as an opportunity to work  
1093 together in a bipartisan manner. Our constituents expect  
1094 nothing less than that.

1095 One thing happened the other day. A spokesman for our  
1096 good friend, former member of this committee, Tom Coburn, now  
1097 in the Senate, said a government shutdown would be committing  
1098 ritual suicide on the order of bad strategy, said his  
1099 communications director in the ``National Journal Daily.''  
1100 The idea that we can fully defund ObamaCare through the  
1101 continuing revelation is a Washington gimmick to advance  
1102 political funding goals.

1103 I yield back the balance of my time.

1104 Mr. {Murphy.} The gentleman's time has expired.

1105 I now recognize Mr. Olson for 5 minutes.

1106 Mr. {Olson.} Thank you, Mr. Chairman, and welcome,  
1107 again, Mr. Cohen, for returning to answer our questions. I  
1108 know it is a busy time for you, so I appreciate your time  
1109 this morning.

1110 Since last time you appeared before this committee, I

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1111 have been home talking to the people of Texas 22 about the  
1112 pending ObamaCare enrollment on October 1. Most hadn't heard  
1113 of open enrollment. They haven't heard if their employer  
1114 will continue to provide healthcare under ObamaCare, and now  
1115 the ones who are working 40 hours per week and working at  
1116 minimum wage are hearing that they are going to get their  
1117 wages cut by 25 percent, down to 30 hours or less per week.

1118 But they have heard about Navigators, and they are  
1119 scared. They have a lot of questions as you can imagine they  
1120 want me to ask you, so please give me a direct response and  
1121 not a filibuster.

1122 The first question, there are now 104 entities that are  
1123 Navigators. Is that correct?

1124 Mr. {Cohen.} I know it is more than 100. That sounds  
1125 right.

1126 Mr. {Olson.} Okay. We will assume that is correct.  
1127 How many of these Navigators have hired people for the  
1128 Navigator positions or currently have people in place to be  
1129 Navigators to fulfill these requirements that they must  
1130 fulfill? Any idea?

1131 Mr. {Cohen.} Oh, I don't have the answer to that, but I

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1132 am sure we can work with you to get you that information.

1133 Mr. {Olson.} So we are 7 business days away from this.

1134 We have no idea how many Navigators, how many people have

1135 been hired as Navigators.

1136 Mr. {Cohen.} No. I didn't say that. I said I don't

1137 know, but we have project officers that are in contact with

1138 the Navigators on a regular basis and at least weekly, and I

1139 am sure we have that information and would be happy to work

1140 with you to get it to you.

1141 Mr. {Olson.} About the ones that have been hired, now,

1142 you don't know that, but do you know how many have completed

1143 or begun their training yet?

1144 Mr. {Cohen.} I do not know.

1145 Mr. {Olson.} Okay. About their training, can you

1146 provide me some details about their training? I understand

1147 it is a 20-hour syllabus, there is some exam at the end. Is

1148 that a multiple choice? How does that exam work? Some

1149 details about the qualifications process.

1150 Mr. {Cohen.} It is an open book. It is a 20-hour exam.

1151 It is an online course. You go through the course. As you

1152 go through the course, you're asked questions about the

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1153 material, and you have to score an 80 percent on each section  
1154 in order to pass and get certified.

1155 Mr. {Olson.} Are there required to undergo background  
1156 checks like I am sure you did to have your job, like I did in  
1157 the Navy? Did Navigators have to have a background check?

1158 Mr. {Cohen.} So the organizations obviously went  
1159 through a very rigorous scrutiny process in order to receive  
1160 the grants. The Federal Government has not required that  
1161 background checks for the individuals be given, but some  
1162 states have adopted that as a requirement as they are  
1163 permitted to do.

1164 Mr. {Olson.} And so the people on the street aren't  
1165 required to get background checks. You are telling me that  
1166 the entities of employment are, but the people actually  
1167 knocking on doors, not knocking on doors but getting  
1168 information out are not required to have a background check.

1169 Mr. {Cohen.} Like the SHP Program, there is no federal  
1170 requirement for there to be background checks. People have  
1171 been helping people with Medicare for many, many years, no  
1172 background check requirement by the Federal Government.  
1173 States, like the SHP Program, are able to impose that

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1174 requirement if they think that is something that is important  
1175 in their communities.

1176 Mr. {Olson.} How about a drug test? You can't get a  
1177 job out at the Texas oil fields without a drug test. How  
1178 about a Navigator?

1179 Mr. {Cohen.} There is no requirement that individual  
1180 Navigators be subject to a drug test. No.

1181 Mr. {Olson.} How about guidelines? How much does  
1182 Navigators get paid, the people out in the streets? Any idea  
1183 what the range of their salary is?

1184 Mr. {Cohen.} It is determined by each of the grantees.  
1185 It is part of the budget that they presented, and the budget  
1186 proposals were subject to review by the Office of Grants  
1187 Management at CMS like every grantee to make sure that the  
1188 amounts being paid were reasonable.

1189 Mr. {Olson.} Does the program have some quality  
1190 assurance checks like a so-called secret shopper, somebody  
1191 that checks up and sees what they are being told is accurate?  
1192 Do you have some sort of program to make sure that people  
1193 give accurate information? Are you checking up on that?

1194 Mr. {Cohen.} We will be doing ongoing monitoring and

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1195 oversight of the Navigator Program, and it could include  
1196 secret shopper.

1197       Mr. {Olson.} And one final question. I was a panelist  
1198 for the Chamber of Commerce Board back home talking about the  
1199 rollout of ObamaCare, and we had a couple State  
1200 Representatives from Texas on that panel with me. One said  
1201 that he has heard that the Navigators who are hitting the  
1202 streets will have voter registration cards. Have you heard  
1203 that? Is that true or false?

1204       Mr. {Cohen.} The Federal Voter Registration Law  
1205 requires that any, that a public program like Medicaid, any  
1206 application, people be given, offered information about voter  
1207 registration. That is a federal law requirement, and because  
1208 the application covers both Medicaid and CHIP and subsidies  
1209 under the exchanges, we are required to provide information  
1210 about voter registration to people.

1211       Mr. {Olson.} Thank you. I am out of my time, and I  
1212 yield back.

1213       Mr. {Murphy.} Thank you. I now recognize Ms. Castor  
1214 for 5 minutes.

1215       Ms. {Castor.} Well, thank you, Mr. Chairman, and thank



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1216 you for calling the hearing.

1217 Mr. Cohen, we are not even in the month of Halloween and  
1218 yet the Republicans, one of their favorite scare tactics that  
1219 we hear regarding the ACA is that the Affordable Care Act is  
1220 going to lead to higher health insurance premiums and rate  
1221 shock, but while my Republican friends have made every effort  
1222 to convince Americans that everyone's health insurance  
1223 premiums are going up on January 1, now we have the data that  
1224 demonstrates that that is untrue. These assertions that  
1225 health insurance rates are going up simply is not borne out  
1226 by a number of analyses that have been conducted.

1227 So let's walk through the information on the Affordable  
1228 Care Act health insurance premiums, starting at the  
1229 beginning. Mr. Cohen, when people shop for coverage through  
1230 the marketplaces, they will be able to compare plans and then  
1231 select a plan, sign up for the either private insurance or if  
1232 they have a state that expanded Medicaid, Medicaid. Is that  
1233 correct?

1234 Mr. {Cohen.} That is right.

1235 Ms. {Castor.} And if they have a household income below  
1236 400 percent of the poverty level, so if you are an individual

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1237 at about \$46,000 or a family of four at about \$94,000 on a  
1238 sliding scale, you will be eligible for tax credits. Is that  
1239 correct?

1240 Mr. {Cohen.} That is right.

1241 Ms. {Castor.} Or Medicaid possibly.

1242 Mr. {Cohen.} Correct.

1243 Ms. {Castor.} Well, this week HHS released an analysis  
1244 and census data on the 41 million uninsured Americans.

1245 Twenty-five percent of Floridians are uninsured. So you can  
1246 see why these new marketplaces will be a Godsend for them,  
1247 but 41 million uninsured Americans who will be eligible to  
1248 enroll in coverage through the marketplaces. Can you tell us  
1249 in broad terms what the analysis said?

1250 Mr. {Cohen.} The analysis said that about eight in ten  
1251 will be eligible for tax credits through the marketplaces.

1252 Ms. {Castor.} And did it say 23 million will be able to  
1253 purchase coverage for less than \$100 a month?

1254 Mr. {Cohen.} That is correct, including the subsidy.

1255 Yes.

1256 Ms. {Castor.} I mean, that is pretty remarkable. Did  
1257 you have an idea that the coverage would be that affordable?

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1258           Mr. {Cohen.} You know, I think there were lots of  
1259 predictions about what rates would be. I think we have been  
1260 just enormously pleased that the marketplace and competition  
1261 is working, and we are seeing the availability of low-cost,  
1262 affordable plans in many places throughout the country.

1263           Ms. {Castor.} And these findings have been echoed in  
1264 recent studies by the non-partisan RAND Corporation and the  
1265 non-partisan Kaiser Family Foundation, two of the most  
1266 respected, non-partisan health policy analysts. Are you  
1267 familiar with these studies from RAND and Kaiser?

1268           Mr. {Cohen.} I am generally. Yes.

1269           Ms. {Castor.} Tell us in broad terms what those studies  
1270 found?

1271           Mr. {Cohen.} Well, Kaiser Family Foundation estimated  
1272 that in the 18 rating areas, so that is specific geographic  
1273 locations that they looked at, 15 would have premiums below  
1274 the latest projections that the CBO had made of what rates  
1275 would be, and they talked about a premium for a 40-year-old  
1276 in the second lowest called Silver Plan being \$320 a month  
1277 nationally. That is before the application of subsidies.

1278           Ms. {Castor.} And, Mr. Cohen, are the plans available

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1279 on the Affordable Care Act in the marketplaces, are they a  
1280 good deal for the quality of coverage that is being offered?

1281 Mr. {Cohen.} Well, that is one of the most important  
1282 things because these plans all have to have the essential  
1283 health benefits that are required by the Affordable Care Act,  
1284 and they cannot have annual limits or lifetime limits. So  
1285 they are going to be there to provide coverage when people  
1286 need it.

1287 Ms. {Castor.} And at the beginning of the hearing I  
1288 shared with you and my colleagues the enthusiasm at home,  
1289 especially among many of our neighbors who have chronic  
1290 conditions that have been barred from insurance coverage. If  
1291 you have had diabetes or I talked with a gentleman with  
1292 multiple sclerosis, HIV AIDS. I mean, we all have neighbors  
1293 or family members that have been barred from coverage because  
1294 of these pre-existing conditions, and this is really going  
1295 to, like I said, it is giving them hope. They can finally  
1296 now obtain coverage, and so this high-quality coverage that  
1297 is available for the same price, will it be available for the  
1298 same price even for many of our neighbors that have those  
1299 pre-existing conditions?

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1300           Mr. {Cohen.} That is exactly right. They cannot be  
1301 charged more because of the pre-existing condition.

1302           Ms. {Castor.} So every Republican announces premiums  
1303 under the ACA. If you noticed, they ignore these key facts  
1304 that coverage has gotten better, that bar against  
1305 discrimination for our neighbors who have these pre-existing  
1306 conditions now will go away for 129 million Americans, and  
1307 they ignore the tax credits. In my State of Florida they  
1308 said, let's conduct a study, and we will show you that it is  
1309 not affordable, but then they didn't build into the study the  
1310 tax credits that are available for families and neighbors and  
1311 small businesses, too. And then the one that really takes  
1312 the cake, do you know in my home state, I love my state, but  
1313 we need help when it comes to healthcare coverage, but one of  
1314 the things they did that probably wins the award for  
1315 obstruction and sabotage is they actually took away the  
1316 Insurance Commissioner's ability to regulate rates and  
1317 negotiate rates.

1318           Is there any other state that has done that to your  
1319 knowledge?

1320           Mr. {Cohen.} I don't believe so, and, you know, I was a

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1321 State Regulator as General Counsel to California Insurance  
1322 Department, and I know Kevin McCarty very well, and it is an  
1323 excellent insurance department, and it is unfortunate that  
1324 their authority was taken away.

1325 Ms. {Castor.} Thank you very much.

1326 Mr. {Murphy.} The gentlelady's time has expired.

1327 Now got Mr. Johnson of Ohio for 5 minutes.

1328 Mr. {Johnson.} Thank you, Mr. Chairman.

1329 Mr. Cohen, first of all, good morning. Thank you for  
1330 being here today.

1331 First question for you, whose department is responsible  
1332 for overseeing and administering these grants to the  
1333 Navigators?

1334 Mr. {Cohen.} It is a combination of my office and our  
1335 Office of Grants Management, both within CMS.

1336 Mr. {Johnson.} Okay, but you are responsible for  
1337 overseeing that process. Correct? You are the director.

1338 Mr. {Cohen.} When you say process--

1339 Mr. {Johnson.} Yes. The grant process.

1340 Mr. {Cohen.} The process of selecting the grantees or  
1341 the process of overseeing the grantees and their work?

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1342 Mr. {Johnson.} Process of overseeing and selecting.

1343 Mr. {Cohen.} Well, so I personally had no role in the  
1344 selection process. We do that through an independent review  
1345 panel.

1346 Mr. {Johnson.} Okay, but you oversee it. Correct?

1347 Mr. {Cohen.} Well, I had no role on the selection  
1348 process.

1349 Mr. {Johnson.} No. Who oversees the grant process?  
1350 What is your role in the grant process?

1351 Mr. {Cohen.} So in the grant selection process I had no  
1352 role.

1353 Mr. {Johnson.} What is your role in the grant process?  
1354 I didn't say the grant selection process. What is your role  
1355 in the grant process?

1356 Mr. {Cohen.} My office is responsible for overseeing  
1357 the grantees' performance now that they have received the  
1358 grant.

1359 Mr. {Johnson.} Okay. Did you review the criteria for  
1360 the grant applications to be reviewed?

1361 Mr. {Cohen.} I did.

1362 Mr. {Johnson.} You did? Okay. Well, because earlier

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1363 when you were asked, you said I don't know. Repeatedly you  
1364 said I don't know, didn't have anything to do with that.

1365 Mr. {Cohen.} No. That is not what I said. I didn't  
1366 review the applications. I certainly was part of putting  
1367 together what the program would be because that is part of my  
1368 job but--

1369 Mr. {Johnson.} Okay. The criteria for reviewing the  
1370 grants, you stated in your answer to Dr. Burgess that when he  
1371 asked you could we get the money back for those that are  
1372 doing processes like door to door that are going to  
1373 prohibited, you said that you were confident that they would  
1374 find other activities.

1375 You know, I find this rather an odd way of going about  
1376 spending the taxpayer dollars because, I mean, if you don't  
1377 know where you are going, obviously any road will get you  
1378 there. This is consistent with the theme of let's pass the  
1379 healthcare law so we can see what is in it. Now you are  
1380 trying to tell the American people that we ought to award  
1381 millions of dollars in grants and then find out how they are  
1382 going to spend it. I would submit to you that that is  
1383 exactly the kind of irresponsible governance and



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1384 irresponsible administration that the American people have  
1385 become so frustrated with. And leaders who purport  
1386 themselves to be directors, head of agencies that fane, I  
1387 don't know, and try to shrug out shoulders and say, I didn't  
1388 have anything to do with that, it is disingenuous, Mr. Cohen.

1389 Mr. {Cohen.} Well, I respectfully--

1390 Mr. {Johnson.} First question, when you were  
1391 evaluating--

1392 Mr. {Cohen.} --disagree with your characterization of  
1393 what I said.

1394 Mr. {Johnson.} Reclaiming my time, Mr. Cohen. Let me  
1395 ask you a question. When you were evaluating the Navigator  
1396 Grant Program, were there standards on the appropriate amount  
1397 of grant spending per enrollee or per individual contacted  
1398 about enrollment? You told me you reviewed the criteria, so  
1399 were there any standards about that?

1400 Mr. {Cohen.} I reviewed the criteria for the program.  
1401 I was--

1402 Mr. {Johnson.} Then you should answer yes or no.

1403 Mr. {Cohen.} --not involved in the budget discussions  
1404 with each grantee over what their costs would be.

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1405           Mr. {Johnson.} Was there in the grant process, you told  
1406 me you reviewed the criteria, you just got done saying that,  
1407 were there any standards on the appropriate amount of grant  
1408 spending per enrollee? That is a very simply question.

1409           Mr. {Cohen.} And I don't recall.

1410           Mr. {Johnson.} You don't recall. You don't know.

1411           Mr. {Cohen.} I don't recall.

1412           Mr. {Johnson.} It goes back to my first statement.

1413 Were there any standards or minimums on the number of health  
1414 fairs attended or individuals contacted via advertisements?

1415           Mr. {Cohen.} I doubt that the funding opportunity  
1416 announcement was--

1417           Mr. {Johnson.} Tell me what you know about the  
1418 criteria? You reviewed the criteria. Tell me what you know  
1419 about the criteria.

1420           Mr. {Cohen.} We put out a funding opportunity  
1421 announcement that describes the program.

1422           Mr. {Johnson.} No. I don't want you to tell me what  
1423 you did. I want you to tell me what the criteria was. What  
1424 is the criteria for a grant?

1425           Mr. {Cohen.} I don't know how to answer that.

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1426 Mr. {Johnson.} You don't know.

1427 Mr. {Cohen.} I don't know how to answer your question.

1428 Mr. {Johnson.} No, you don't know.

1429 Mr. {Cohen.} No.

1430 Mr. {Johnson.} And that is appalling to me. Turn to

1431 Exhibit 1, please. I think it is reprehensible that you

1432 would come before the American people as a director of a

1433 department and you don't know. You sit there and tell me

1434 that you review the grant process, you review the criteria,

1435 and yet you don't know. You can't give the first sentence

1436 about that criteria.

1437 Turn to Exhibit 1, please.

1438 Mr. {Cohen.} I have it.

1439 Mr. {Johnson.} Okay. This is a Navigators grant

1440 application provided to the committee by the Administration.

1441 It shows a Navigator applicant who expects to facilitate

1442 enrollment of 312 people into qualified health plans. You

1443 awarded this organization approximately \$80,000 of taxpayer

1444 money for only 300 people. Now, I acknowledge you said you

1445 didn't have anything to do with the grant award, but you set

1446 up the criteria.

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1447           Do you believe that this is an efficient use of taxpayer  
1448 dollars? I can do the quick math.

1449           Mr. {Murphy.} The gentleman's--

1450           Mr. {Johnson.} It is \$266 per person.

1451           Mr. {Murphy.} --time has expired. We may go to a  
1452 second round, so if you have more questions, I will let you  
1453 come back to it.

1454           Mr. {Johnson.} Am I--

1455           Mr. {Murphy.} We will let you answer.

1456           Mr. {Johnson.} Oh, I am not even checking the clock.

1457 Sorry, Mr. Chairman. I yield back.

1458           Mr. {Murphy.} We can go back.

1459           Mr. {Cohen.} As I said I literally have not seen this  
1460 before today. I am happy to go back and look at it and  
1461 answer your questions. I just can't do that today.

1462           Mr. {Johnson.} I am not surprised you haven't seen that  
1463 information. I am not surprised at all.

1464           Mr. {Cohen.} Because I was not part of the grant  
1465 application and award process for reasons that I am sure you  
1466 will understand.

1467           Mr. {Murphy.} We will follow up with that.

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1468 Mr. Waxman is now recognized for 5 minutes.

1469 Mr. {Waxman.} Mr. Cohen, do you approve the budgets of  
1470 the Navigators?

1471 Mr. {Cohen.} I did not.

1472 Mr. {Waxman.} No. Do you?

1473 Mr. {Cohen.} No, I don't personally.

1474 Mr. {Waxman.} You don't. Your agency doesn't?

1475 Mr. {Cohen.} Yes.

1476 Mr. {Waxman.} Your agency does.

1477 Mr. {Cohen.} Yes.

1478 Mr. {Waxman.} Okay. So what you did is help establish  
1479 the criteria for awarding these grants to Navigators who will  
1480 help people know what insurance options are available to them  
1481 and help them sort through a new law that they have heard a  
1482 lot of negative things about from partisan Republicans who  
1483 want to demonize the idea that people will be able to get  
1484 insurance. I think that the questions you just had were off  
1485 the mark and not appropriate for Congress. I don't think we  
1486 ought to beat up on people because they don't like the law.  
1487 So the criteria is to select people who can do the job  
1488 as Navigators. Right?

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1489 Mr. {Cohen.} Yes.

1490 Mr. {Waxman.} And you have something to do with that?

1491 Mr. {Cohen.} Correct.

1492 Mr. {Waxman.} Okay, and then the grants that are made  
1493 to different applicants to be the Navigators, who decides  
1494 that?

1495 Mr. {Cohen.} We have a process where our Office of  
1496 Grants Management, this is the same as every grant, CMS  
1497 awards a lot of grants.

1498 Mr. {Waxman.} Yes.

1499 Mr. {Cohen.} Every grant goes through a screening  
1500 process where they review the application, they review the  
1501 management of the applicant, they review the budget, they  
1502 score them. That then goes to an independent review  
1503 committee that makes the selections based on the criteria and  
1504 the purposes of the program.

1505 Mr. {Waxman.} So no one has basis for criticizing you  
1506 for what an independent grant committee reviews and decides.  
1507 Isn't that correct?

1508 Mr. {Cohen.} I agree with you.

1509 Mr. {Waxman.} Okay. Look, I don't even know what this

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1510 hearing is all about. We have had so many hearings by the  
1511 Republicans to beat up on the Affordable Care Act. They  
1512 don't like it. I got the idea. When they wanted to repeal  
1513 it, they could have gotten the message out by asking us to  
1514 vote for it five times. Instead they voted 41 times. It is  
1515 because they have nothing else to do but attack this  
1516 Affordable Care Act. And why do they want to do that?  
1517 Because they want to confuse people. They want to scare  
1518 people. That is what this hearing is all about, and in fact,  
1519 the people who are doing the work of Navigators they are  
1520 called, are now being intimidated by the Republicans, who is  
1521 getting a long list of questions, asking them did they do  
1522 something wrong, I gather. That seems to me so unfair. You  
1523 have got a clinic, you have got people that work in a  
1524 homeless shelter, you have got people who work with an ethnic  
1525 community, people who are there in the community and know the  
1526 community well, and they have been selected and had to go  
1527 through tests and classes to be good Navigators, and they are  
1528 going to do their job. And now they get letters from members  
1529 of Congress asking them to fill out answers to a long list of  
1530 questions. Do you know what kind of questions they have been

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1531 asked?

1532 Mr. {Cohen.} They have been asked very detailed  
1533 questions about both the application process and about what  
1534 their plans are for what they are going to do before they  
1535 have even started work, before they have even hired their  
1536 staff.

1537 Mr. {Waxman.} This is nothing but intimidation by this  
1538 committee. Congress has a lot of power. When the Chairman  
1539 or a member gets the chance to ask questions, that is a lot  
1540 of power, but what we need to do is restrain ourselves from  
1541 abusing that power, and I haven't seen much restraint around  
1542 here, and I understand one Navigator has already dropped out  
1543 of the program because they just said we don't have enough  
1544 money to do the work of answering questions from Congress as  
1545 well as reaching out to the community. Isn't that right?

1546 Mr. {Cohen.} Yes. That is true, and I have heard from  
1547 others that are very concerned. They don't know what to do  
1548 with, in response to this, to these inquiries that they have  
1549 gotten.

1550 Mr. {Waxman.} I just think this is such an abuse of  
1551 power to intimidate Navigators who are going to explain the



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1552 new law to people. In California we are running the program,  
1553 and we license people who sell private insurance, and the  
1554 state has taken over the responsibility of approving the  
1555 Navigators, hasn't it?

1556 Mr. {Cohen.} Yes.

1557 Mr. {Waxman.} So they have a job to do, they have been  
1558 checked out to be sure they are people who are capable of  
1559 doing the job. We don't call in private insurance salesmen  
1560 to ask them a whole bunch of questions, but when they are  
1561 trying to just get the community to understand something new,  
1562 this committee abuses its power and wants to ask all sorts of  
1563 questions, and at a time when they are trying to run this  
1564 program with a couple of weeks left before the opening of the  
1565 exchanges.

1566 Mr. {Cohen.} And I would just add if I might that may  
1567 state that wanted to run their Navigator Program had the  
1568 ability to do that either by operating its own marketplace or  
1569 by being a consumer assistance partner with us. They could  
1570 have taken over the whole thing.

1571 Mr. {Waxman.} Well, my state is doing a good job. We  
1572 are going to have a great success in California. I think we

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1573 are going to have success around the country unless  
1574 Republicans intimidate people, whether it is at the state  
1575 level or the federal level, to scare them about the idea that  
1576 they can get insurance that has been denied them in the past,  
1577 and the Republicans said nothing about it but denied them in  
1578 the past because they had pre-existing medical conditions--

1579 Mr. {Murphy.} The gentleman's time has expired.

1580 Mr. {Waxman.} --or they couldn't afford the insurance  
1581 policy. And so I don't know what this hearing is all about  
1582 except to intimidate people, and I resent it, Mr. Chairman,  
1583 and I resent the kind of questions that our witness has just  
1584 been subjected to by my colleague.

1585 Yield back my time.

1586 Mr. {Murphy.} Yield for question and query. You had  
1587 made a reference to California is taking over these things,  
1588 and they also have laws for insurance agents who sell these  
1589 policies.

1590 Mr. {Waxman.} Yes.

1591 Mr. {Murphy.} Are you saying that it would be under the  
1592 same guidance or rules or regulations as an insurance agent?  
1593 Could you clarify that for the record?

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1594           Mr. {Waxman.} Well, Mr. Cohen could probably do it  
1595 better, but as I understand it, California is going by the  
1596 standards set by the Federal Government. Isn't that right?  
1597 Why don't you answer?

1598           Mr. {Cohen.} California because it is operating its own  
1599 marketplace has its own Navigator Program, and it is not  
1600 requiring Navigators to be agents and brokers. We have  
1601 issued regulations saying that states may not do that, but it  
1602 has put in additional requirements above and beyond the  
1603 federal requirements as states may do.

1604           Mr. {Murphy.} Just for clarification I am just confused  
1605 because I know many states have rules about continuing  
1606 education, fingerprinting, background checks, licensing tests  
1607 for agents. So if they are under the California Program they  
1608 are not going to be part of those same sort of rules? There  
1609 is a separate level?

1610           Mr. {Cohen.} I am not 100 percent familiar with what  
1611 California is doing, but I believe that California is  
1612 requiring backgrounds checks and fingerprints.

1613           Mr. {Murphy.} Could you just let us know?

1614           Mr. {Cohen.} Sure.

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1615           Mr. {Murphy.} Thank you very much.

1616           Now recognize Mr. Scalise for five questions--5 minutes.

1617           Mr. {Scalise.} Hopefully I can get to more than five  
1618 questions, but I will do my best to get through the questions  
1619 I have, and Mr. Chairman, I want to thank you for having this  
1620 committee. I think it is important that we have oversight  
1621 over a program that is involving not only \$67 million of  
1622 taxpayer money but a new program where these Navigators,  
1623 people will be going throughout America trying to sign people  
1624 up for the President's Healthcare Law that has missed so many  
1625 deadlines, that has had so many problems. For somebody to  
1626 kind of insinuate that we should not be asking real tough  
1627 questions, American people have tough questions. That is why  
1628 they sent us here. I would hope, Mr. Cohen, you are here to  
1629 give straightforward answers to the questions that people  
1630 have, and anybody who thinks that sunshine and transparency  
1631 will undermine the law, maybe they are right. Maybe the fact  
1632 the more people find out about this law they don't like it.  
1633 That is not our fault. That is the fault of such a bad law  
1634 that the more people find out about it they don't like it.

1635           Mr. {Cohen.} I always do my best, Congressman, to

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1636 answer the questions.

1637 Mr. {Scalise.} I appreciate that, and do you think any  
1638 of these are unfair questions?

1639 Mr. {Cohen.} I think I better not respond to that one.

1640 Mr. {Scalise.} Not only you are under oath, but the  
1641 President that, you know, that you work for, the President  
1642 said on a campaign promise that he would be the most  
1643 transparent President ever, and all of the sudden we start  
1644 asking basic questions, and people are feigning that his, you  
1645 know, that we shouldn't be asking tough questions, because,  
1646 boy, that poor President, you know, it might make his law  
1647 look bad if people find out just what is in it.

1648 Mr. {Cohen.} Congressman, I have no problem with asking  
1649 questions of me. This is the seventh time that I have  
1650 testified before a Congressional committee or subcommittee  
1651 since December. I have always done my best to answer the  
1652 questions. I have always done my best to provide additional  
1653 information when I wasn't able to answer the question.

1654 Mr. {Scalise.} Okay. I just want to make sure, you  
1655 know--

1656 Mr. {Cohen.} The concern that I have--so any questions

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1657 you have for me or for us as a department--

1658 Mr. {Scalise.} I want to ask you about background.

1659 Mr. {Cohen.} --the concern that I have is for the  
1660 scrutiny that these Navigators groups were put under even  
1661 before they ever--

1662 Mr. {Scalise.} Let me ask you. If a Navigator--

1663 Mr. {Cohen.} --started their work.

1664 Mr. {Scalise.} --and I want to ask you to get the  
1665 committee the name of any Navigators who dropped out of the  
1666 program because of scrutiny, I would ask you can you get that  
1667 information to this committee?

1668 Mr. {Cohen.} Yes.

1669 Mr. {Scalise.} Because if any Navigator dropped out of  
1670 the program because they didn't want to be held accountable  
1671 for the taxpayer money they are receiving, they don't belong  
1672 in the program. They ought to get out of the program.

1673 Mr. {Cohen.} That wasn't the reason.

1674 Mr. {Scalise.} Well, then let's see the names of those  
1675 people, and we will follow up.

1676 Mr. {Cohen.} The reason that it was--

1677 Mr. {Scalise.} We are asking real questions. They

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1678 ought to be providing answers just like you should.

1679 Mr. {Cohen.} That wasn't the reason.

1680 Mr. {Scalise.} They are getting taxpayer money. I want  
1681 to ask you about criminal background checks. This is a big  
1682 concern of a lot of people I know in my district and when I  
1683 talk to colleagues, others. Why is it that you did not  
1684 choose to include background checks on people that are going  
1685 to be going around asking people for very secured, personal  
1686 information about their health?

1687 Mr. {Cohen.} First of all, they are not going to be  
1688 asking people information about their health.

1689 Mr. {Scalise.} These people will be having--

1690 Mr. {Cohen.} That is wrong.

1691 Mr. {Scalise.} --conversations with Navigators about  
1692 healthcare.

1693 Mr. {Cohen.} They are not going to be asking--

1694 Mr. {Scalise.} They are going to be trying to give them  
1695 advice, aren't they, about what kind of healthcare options  
1696 they have in these exchanges? Is that what--

1697 Mr. {Cohen.} They are not going to be asking people for  
1698 information about their health. That is not part of the

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1699 application.

1700 Mr. {Scalise.} They will be asking them healthcare  
1701 questions.

1702 Mr. {Cohen.} They are not going to be asking them for  
1703 information about their health. It is not part of the  
1704 application.

1705 Mr. {Scalise.} So let me ask you this. If somebody  
1706 just got released from prison for a conviction on identity  
1707 theft, would that person be eligible to be a Navigator? Yes  
1708 or no? You are under oath.

1709 Mr. {Cohen.} I am confident that the organizations that  
1710 we have given grants to--

1711 Mr. {Scalise.} Can they be eligible? Are they  
1712 eligible? It is a yes or no question. I am sure what you  
1713 hope, if you hope that they are not eligible, why didn't you  
1714 make that a rule? Am I incorrect in saying that a person who  
1715 was just released from prison on identity theft can be a  
1716 Navigator under your rules? Is that an inaccurate statement?

1717 Mr. {Cohen.} We have had--

1718 Mr. {Scalise.} Because I am making that statement right  
1719 now. Your rules allow someone who committed identity theft



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1720 to be eligible to be a Navigator. If I am saying anything  
1721 incorrect, you just correct me right now.

1722 Mr. {Cohen.} We have had experience for many, many  
1723 years with the SHP Program. There was no federal requirement  
1724 for background checks in the SHP Program.

1725 Mr. {Scalise.} Okay. So my statement is correct.

1726 Mr. {Cohen.} I am not aware--

1727 Mr. {Scalise.} If you correct me, then I will stop  
1728 saying it, but I just made a statement. If I said anything  
1729 inaccurate, please correct me, but if you don't, I will keep  
1730 making that statement.

1731 Mr. {Cohen.} There is no federal requirement for  
1732 background checks or criminal record checks--

1733 Mr. {Scalise.} Okay. Stop right there.

1734 Mr. {Cohen.} --in the Navigator Program. Some states--

1735 Mr. {Scalise.} Was there a concern--

1736 Mr. {Waxman.} Excuse me.

1737 Mr. {Scalise.} No. That is my time. He didn't answer  
1738 my question.

1739 Mr. {Waxman.} Point of order. The gentleman ought to  
1740 be given the courtesy to answer the question.

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1741           Mr. {Scalise.} Well, he will be given the courtesy. I  
1742 will ask one follow-up question, and then I will let you have  
1743 the time.

1744           Mr. {Cohen.} Congressman, I ask for your support here  
1745 in being able to answer these questions.

1746           Mr. {Murphy.} One more question.

1747           Mr. {Scalise.} The question I have is were you  
1748 concerned that invoking criminal background checks might  
1749 limit the number of people that would apply to be Navigators?

1750           Mr. {Murphy.} Mr. Cohen, you may answer the question.

1751           Mr. {Cohen.} We want to get as many--we had a number of  
1752 factors. It was not clear to us that we have the authority  
1753 to require the criminal background checks, and we wanted to  
1754 make, we left it up to the states to determine whether that  
1755 was a requirement that they wanted to impose.

1756           Mr. {Scalise.} So that was a yes or no question I  
1757 asked. I would just ask if you could give a yes or no answer  
1758 to a yes or no question. Were you concerned that invoking  
1759 criminal background checks might limit the number of people  
1760 that would apply to be Navigators?

1761           Mr. {Cohen.} The cost and the difficulty of doing

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1762 criminal background checks, yes, we were concerned about  
1763 that.

1764 Mr. {Murphy.} The gentleman's time has expired.

1765 Mr. Cohen, would you be able to at some point in the  
1766 near future provide information on, you said some states have  
1767 it, some states don't, just so we can have that.

1768 Mr. {Cohen.} Sure. I would be happy to.

1769 Mr. {Murphy.} And those issues are obviously a concern  
1770 I think from members on both sides of the aisle to make sure  
1771 that the people coming through are trustworthy.

1772 Now recognize Mr. Tonko for 5 minutes.

1773 Mr. {Tonko.} Thank you, Mr. Chair, and Mr. Cohen, thank  
1774 you for returning to the committee and for your diligent work  
1775 thus far in trying to implement probably the biggest reform  
1776 to our Nation's healthcare system in our history. This is no  
1777 small task, and so we all appreciate, I would hope we all  
1778 appreciate the commitment and grace you have shown in taking  
1779 on this work, and I have some questions, and I will allow you  
1780 to answer them and not talk over you.

1781 We have understandably heard a lot already today about  
1782 the exchanges which are the most visible piece of the ACA.

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1783 So I wanted to take the time to ask you about some of the  
1784 other insurance reforms under ACA that your center is  
1785 responsible for.

1786 Under the ACA the center is charged with providing  
1787 support to consumers when insurance companies deny payment  
1788 for a service or treatment which have coverage guaranteed  
1789 under ACA such as preventative services. One such example of  
1790 a guaranteed benefit under ACA is BRCA testing and genetic  
1791 counseling for women meeting certain risk criteria for  
1792 heredity breast and ovarian cancer.

1793 However, I have heard reports of several women in New  
1794 York who have been denied BRCA testing despite meeting the  
1795 criteria for testing and receiving medical advice to have the  
1796 testing done. My understanding is that this should not  
1797 happen and that your center is charged with ensuring that it  
1798 doesn't.

1799 What resources and assistance does the center offer for  
1800 consumers who need to appeal health insurance claims  
1801 decisions, and where could consumers gain easy access to  
1802 these resources?

1803 Mr. {Cohen.} So there is a requirement under the

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1804 Affordable Care Act for an external appeal process after  
1805 someone goes through the process through their insurance  
1806 carrier, and New York is probably running that appeals  
1807 process. I would have to go back and look. Some states are  
1808 doing it. In some cases it is the Federal Government that is  
1809 doing it if the state doesn't have a process that meets the  
1810 required standard.

1811 In addition, we work very closely with the state  
1812 departments and insurance when we learn of something that is  
1813 a systemic problem, so if it is not just, you know, one  
1814 particular individual or two, you know, but it looks as  
1815 though a particular carrier or even more broadly all the  
1816 carriers in a market or whatever are not abiding by the  
1817 provisions of the Affordable Care Act, we work very closely  
1818 with state insurance departments to make sure that they do.

1819 Mr. {Tonko.} Thank you, and perhaps if you could look  
1820 more closely at that specific situation, I would appreciate  
1821 it.

1822 Mr. {Cohen.} We would be happy to.

1823 Mr. {Tonko.} As you know, the implementation of the  
1824 Affordable Care Act will extend federal parity protections

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1825 from Mental Health Parity and Addiction Equity Act to more  
1826 than 62 million Americans. However, given the delay in  
1827 issuing final parity regulations, it is doubtful the American  
1828 people will enjoy the full protections of mental health  
1829 parity consistent with the spirit of that legislation as the  
1830 ACA goes into full effect in 2014.

1831 With another terrible tragedy unfolding again this week  
1832 here in DC, the need for a robust national commitment to  
1833 mental health has been highlighted yet again. We have heard  
1834 from numerous Administration officials that a final mental  
1835 health parity regulation would be finished by the end of the  
1836 year, a date which is rapidly approaching.

1837 Can you provide us with any more details on when to  
1838 expect any such final parity rule?

1839 Mr. {Cohen.} So we have committed that there will be a  
1840 rule out by the end of the year. I am confident there will  
1841 be. I know work is ongoing. I have been to meetings where  
1842 we have been reviewing the provisions of the final rule. It  
1843 is moving through our process. I can't give you an exact  
1844 date of when it will be coming out, but it will be coming out  
1845 by the end of the year.

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1846           Mr. {Tonko.}   Okay, and can you describe in detail the  
1847   current investigation and enforcement process that your  
1848   office goes through when it receives a complaint about parity  
1849   violations?

1850           Mr. {Cohen.}   Sure.   So as with many federal law  
1851   provisions, HIPAA, and mental health parity, again, the  
1852   states are the principle primary enforcer.   So what we  
1853   typically do when we hear about problems, and we do have a  
1854   hotline where people can call and, you know, tell us about  
1855   problems they are having with their insurance company, we  
1856   generally will reach out first to the state department.  
1857   There have been some instances since I have been at CCIIO  
1858   where the state has told us that they are not able to deal  
1859   with the problem, and we have dealt directly with the  
1860   insurance companies to make sure that they are complying.

1861           Mr. {Tonko.}   Uh-huh.

1862           Mr. {Cohen.}   We have also done some outreach and  
1863   education because I know that the requirements of the Mental  
1864   Health Parity Law are not as well-known and understood, and  
1865   so we have been doing some outreach and education both to the  
1866   issuer community and to the state insurance departments to

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1867 make sure they understand the provisions of the law.

1868 Mr. {Tonko.} When these investigations, Mr. Cohen, of  
1869 parity violations are conducted, are the results of these  
1870 investigations made public?

1871 Mr. {Cohen.} It depends. What we try to do normally is  
1872 get compliance, and if we are able to get compliance, then--  
1873 and there is no administrative action that is begun, then  
1874 typically that would not be public.

1875 If we go to the point of actually beginning  
1876 administrative action and the possible imposition of civil  
1877 monetary penalties, that would be public.

1878 Mr. {Tonko.} I know my 5 minutes are up, and with that  
1879 I--

1880 Mr. {Murphy.} I recognize Mr. Harper for 5 minutes.  
1881 Thank you.

1882 Mr. {Harper.} Thank you, Mr. Chairman. Mr. Cohen, good  
1883 to see you again, and I have questions. If I could get you  
1884 to look in the notebook and turn to Exhibit 4 for just a  
1885 moment, please. Exhibit 4. And if you will look at that,  
1886 you will see that number 14 says, incentives for quality  
1887 connections and the second sentence states they, meaning



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1888 Navigators, have the opportunity to earn \$200 additional per  
1889 quarter if they meet a standard of 300 enrollments or  
1890 screenings during the quarter. Do you see that?

1891 Mr. {Cohen.} I do.

1892 Mr. {Harper.} Do you believe it is appropriate to pay  
1893 Navigators for the number of individuals enrolled?

1894 Mr. {Cohen.} In the federal program we are not  
1895 permitting Navigators to be paid by the number of  
1896 enrollments. I understand this is an application, and it may  
1897 be what they thought that they were going to do, but we are  
1898 not permitting that.

1899 Mr. {Harper.} So what are they getting? Just a  
1900 straight salary or a straight--so they get paid the same, you  
1901 are saying. This is not true?

1902 Mr. {Cohen.} This is an application.

1903 Mr. {Harper.} Okay.

1904 Mr. {Cohen.} But I am telling you that in the federal  
1905 program Navigators are not being paid by the number of  
1906 enrollees.

1907 Mr. {Harper.} Okay, but didn't you approve this  
1908 application?

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1909           Mr. {Cohen.} I did not, but there is a budget process  
1910 that--

1911           Mr. {Harper.} Somebody approved the application.

1912           Mr. {Cohen.} We did. We did. Okay. So there is a  
1913 budget process that goes through before a grant is awarded,  
1914 and I don't know the specifics of this particular applicant,  
1915 but I am confident that the budget that was worked out with  
1916 this applicant did not include payment per enrollee.

1917           Mr. {Harper.} Can you check that--

1918           Mr. {Cohen.} I can.

1919           Mr. {Harper.} --to be 100 percent sure and get back  
1920 with us on that in writing on that?

1921           Mr. {Cohen.} I would be happy to.

1922           Mr. {Harper.} So is there another application, another  
1923 form that we should be looking at?

1924           Mr. {Cohen.} Well, there is a grant award, there is a  
1925 cooperative agreement between the grantee and CMS. Yes.

1926           Mr. {Harper.} All right.

1927           Mr. {Cohen.} This is just the application.

1928           Mr. {Harper.} Let me at least--

1929           Mr. {Cohen.} Part of the application.

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1930           Mr. {Harper.} --ask you this. If this were true, would  
1931 you believe that we should be incentivizing Navigators go  
1932 enroll as many people as possible?

1933           Mr. {Cohen.} In the federal program we made the  
1934 decision not to permit compensation based on number of  
1935 enrollees.

1936           Mr. {Harper.} Okay. Well, you know, but this is a  
1937 document that you provided to us if I am not mistaken.

1938           Mr. {Cohen.} It is an application.

1939           Mr. {Harper.} Okay. Well, and that is what I am  
1940 referring to is the document. So just so I am clear are you  
1941 saying then that no Navigator is being paid additional money  
1942 or bonus money by the number of people signed up? That is  
1943 what you are saying?

1944           Mr. {Cohen.} In the federal program. Correct.

1945           Mr. {Harper.} All right. Well, what about in any other  
1946 program or other entity?

1947           Mr. {Cohen.} My understanding is that there may be some  
1948 states that are paying some portion of compensation for  
1949 enrollee.

1950           Mr. {Harper.} And you would know which states those

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1951 are. Correct?

1952 Mr. {Cohen.} We can get that information.

1953 Mr. {Harper.} Would you do that and--

1954 Mr. {Cohen.} Sure.

1955 Mr. {Harper.} --what amounts and if they are paying all

1956 Navigators the bonus based upon numbers, I would want to know

1957 that.

1958 All right. Are you going to issue any type of statement

1959 or standards for Navigators or to the states directing them

1960 not to do this?

1961 Mr. {Cohen.} No. We have left, I mean, the states as

1962 throughout the Affordable Care Act we have given the states a

1963 lot of flexibility to design their programs in the way that

1964 they think is best for their state, and so we are not telling

1965 states that they can't do it. In the federal program

1966 Navigators are not being paid per enrollee.

1967 Mr. {Harper.} All right. Following up on other

1968 questions, my understanding of what you are saying is that

1969 Navigators are not subjected to or a criminal background

1970 check is not done. Correct?

1971 Mr. {Cohen.} There is no federal requirement for a

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1972 criminal background check. Some states are imposing a  
1973 criminal background check requirement on Navigators.

1974 Mr. {Harper.} But it is not your requirement, a federal  
1975 requirement to do that.

1976 Mr. {Cohen.} Right.

1977 Mr. {Harper.} The Navigators are going door to door on  
1978 some situations. Correct?

1979 Mr. {Cohen.} Navigators are--will be told that they  
1980 should not go door to door to solicit people to enroll in  
1981 coverage.

1982 Mr. {Harper.} They are being told not to.

1983 Mr. {Cohen.} Not to.

1984 Mr. {Harper.} Okay. Do you know if they are doing that  
1985 on any state level?

1986 Mr. {Cohen.} I don't.

1987 Mr. {Harper.} Okay. Can you let us know that, too,  
1988 please--

1989 Mr. {Cohen.} I can try to find that out.

1990 Mr. {Harper.} --as one of the things here. If I could  
1991 get you now to turn to Exhibit number 8. Exhibit 8 is a work  
1992 plan from one approved Navigator. If you look through, you

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1993 will see it promises a complete 24,000 robo calls in the  
1994 first quarter, 72,000 robo calls in the second quarter,  
1995 another 72 in the third, and 72,000 more in the fourth  
1996 quarter.

1997 Do you see that document?

1998 Mr. {Cohen.} Yes.

1999 Mr. {Harper.} Do you believe that Navigators should be  
2000 using taxpayer dollars to fund robo calls?

2001 Mr. {Cohen.} You know, I am going to have to check to  
2002 see what our instructions are going to be about that. My  
2003 understanding generally is that our expectation is that when  
2004 it comes to enrollment assistance, we are expecting that  
2005 people are going to come to the Navigators rather than the  
2006 Navigators going to them.

2007 Mr. {Harper.} Sure, but this is an application that was  
2008 approved. So this was an approved application, was it not?

2009 Mr. {Cohen.} This grantee was awarded a grant. It  
2010 doesn't meant that every single thing in the application was,  
2011 ended up in the final end award.

2012 Mr. {Harper.} All right, but they awarded a grant, and  
2013 that application did call for robo calls that you saw.

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2014           Yield back.

2015           Mr. {Murphy.} Thank you. The gentleman's time has  
2016 expired.

2017           I now go to Mr. Green for 5 minutes.

2018           Mr. {Green.} Thank you, Mr. Chairman.

2019           Mr. Cohen, let me explain to you the district is  
2020 represent. I have a very urban district in Houston, and it  
2021 has some of the highest in the country of uninsured. Hidalgo  
2022 County in South Texas, the numbers in my district compare to  
2023 some of the poorest counties in the country. Some of the  
2024 questions you are hearing in looking at the exhibits, I know  
2025 my Navigators are not going door to door. They are  
2026 prohibited from doing it. But Enroll America, which is a  
2027 non-profit group, is doing that. In fact, I asked them to do  
2028 that in my district. I want them to be out there making  
2029 people know that this law is available.

2030           What you are hearing today is folks who don't like the  
2031 law, and that is okay. They didn't vote for it, but they are  
2032 trying to keep it from actually working, and in a district  
2033 like I have, this is the way those folks can go and have  
2034 insurance for their families.

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2035           And so it is frustrating to me when they were talking  
2036 about, you know, fingerprinting. You know, under state law  
2037 maybe my insurance agents are fingerprinted and do background  
2038 checks. I am not sure, but it is not in the federal law to  
2039 do that, and so in the State of Texas that is not an issue.  
2040 Now, insurance agents may be able to, but we don't hold these  
2041 Navigators to a higher standard than the federal law is.

2042           So, again, their complaint is is that they really don't  
2043 want the Navigators to do their job to sign people up who  
2044 come in.

2045           Also, I would be offended if I had to ask my insurance  
2046 agent, by the way, do you have a background check. You know,  
2047 that is just amazing that some of my colleagues would do it,  
2048 but, again, their point is they don't like the law, and they  
2049 are trying to stop, use any way they can to discredit it, but  
2050 it is working. I did an event in our district. We are doing  
2051 more events in our district because we want that outreach to  
2052 be there.

2053           Let me ask you something. One of the questions about  
2054 the Navigators being paid incentives, and I am looking at  
2055 Exhibit number 4 on page 10. Navigators are paid a base wage



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2056 of \$10 an hour with the expectation of meeting basic  
2057 performance guidelines they will have the opportunity to earn  
2058 \$200 more per quarter if they meet 300 enrollment screenings.  
2059 Federally-qualified health center employees, I know in my  
2060 district or actually they have physicians to be able to sign  
2061 people up, we are talking about some of the folks who make  
2062 some of the lowest wages that we can imagine. And it sounds  
2063 like to me it would be a Republican thing to incentivize them  
2064 to actually go out and do it correctly, and that is what I  
2065 think that is, you know, welcome to Congress.

2066 But let me talk a little bit about one of the issues  
2067 that have come up, and I have heard it a lot. On the Floor  
2068 last week we were forced to vote on a bill that would force  
2069 the HHS IG to take an unprecedented role of certifying  
2070 marketplace verification systems before people could get  
2071 financial assistance. I want to ask you a series of  
2072 questions about that.

2073 When an individual applies for financial assistance  
2074 through the marketplaces, what steps are taken on the front  
2075 end to verify that they are not under-reporting their income  
2076 in order to get financial assistance?

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2077           Mr. {Cohen.} We check against available sources of data  
2078 including Internal Revenue Service data, including Social  
2079 Security Administration data, and if necessary, private  
2080 employer data through a database that is also part of that  
2081 system to see whether--

2082           Mr. {Green.} So you have access to the IRS database,  
2083 and you also can be checked against Equifax, for example, for  
2084 current information?

2085           Mr. {Cohen.} That is right.

2086           Mr. {Green.} So there is upfront verification. What  
2087 about on the back end? If an individual's taxes at the end  
2088 of the year indicate they are not eligible for that financial  
2089 assistance, what do they have to do?

2090           Mr. {Cohen.} The IRS is going to require that they  
2091 reconcile that at the end of the tax year, and if they have  
2092 to pay money back, they will have to pay money back.

2093           Mr. {Green.} Well, and I know most folks, the last  
2094 thing they want to hear is that the IRS is going to come  
2095 audit you because you claimed less income than you actually  
2096 earned, and you are going to pay this back. Is there a  
2097 penalty for them under, I assume under IRS regs? There is

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2098     probably a penalty that would be added not only to the back  
2099     taxes but to the penalty.

2100             Mr. {Cohen.}   And in addition, the information that they  
2101     provide, it says right on the application it is being  
2102     provided under penalty of perjury and that there are  
2103     penalties just for submitting false information if it is  
2104     done, you know, intentionally.

2105             Mr. {Green.}   My Republican friends have repeatedly  
2106     asserted the ACA would be right with fraud and suggested  
2107     people would be lining up in property to get financial  
2108     assistance.   First of all, the financial assistance provided  
2109     through the marketplace may only be used to purchase health  
2110     insurance.

2111             Mr. {Cohen.}   That is right.

2112             Mr. {Green.}   It is not correct they get a direct cash  
2113     assistance or sent to people's homes.   That is incorrect.

2114             Mr. {Cohen.}   The money goes directly from--to the  
2115     insurance company that they have chosen.

2116             Mr. {Green.}   The carrier.

2117             Mr. {Cohen.}   Yeah.

2118             Mr. {Green.}   And since they won't even see the money,

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2119 it would be credit applied against insurance premiums, it  
2120 seems unlikely that people are out there waiting to profit  
2121 from this program and to put money in their pockets when they  
2122 won't even see the money. Can you tell us about the  
2123 uninsured who are using the exchanges in particular, and  
2124 again, the State of Texas, we have to have a national  
2125 exchange, and I appreciate other states who took the  
2126 incentives on their own, but I also know HHS is supposed to  
2127 put more resources in states that don't have a state partner.  
2128 So I appreciate that coming to Texas.

2129 In particular I want to address the allegation I heard  
2130 that people who buy insurance in exchanges are fraudsters and  
2131 deadbeats. Is there any information on that? All people are  
2132 looking for is to be able to cover their families with  
2133 healthcare, and this is an opportunity to do it.

2134 Mr. {Cohen.} They just want to take care of themselves  
2135 and their families. That is right.

2136 Mr. {Green.} Thank you, Mr. Chairman.

2137 Mr. {Murphy.} Thank you, Mr. Green.

2138 Ms. Ellmers, you are recognized for 5 minutes.

2139 Mrs. {Ellmers.} Thank you, Mr. Chairman, and thank you,

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2140 Mr. Cohen, for being with us again. I think you said this is  
2141 the seventh time. Is that correct?

2142 Mr. {Cohen.} Not before this committee obviously, but,  
2143 yes, this is the seventh time I have testified since  
2144 December.

2145 Mrs. {Ellmers.} On the Hill.

2146 Mr. {Cohen.} Yeah.

2147 Mrs. {Ellmers.} Okay. Well, first off, I do want to go  
2148 back to one of the comments that you made about how you  
2149 believe that there is competition that is being created  
2150 amongst the insurance companies with the exchanges.

2151 You know, very recently, I believe as recent as last  
2152 week, in North Carolina in my district, First Carolina Care  
2153 Insurance Company announced that they will not be part of the  
2154 exchange. They supply health insurance to thousands in my  
2155 district. This means less options for my constituents and  
2156 now I believe for North Carolina there are only two insurance  
2157 companies. How does this provide competition?

2158 Mr. {Cohen.} So the results are different from state to  
2159 state. In many states we have seen new entrants coming in  
2160 and a lot of choice, and in other states we have seen less.

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2161 Mrs. {Ellmers.} Okay.

2162 Mr. {Cohen.} As I think you probably know, the existing  
2163 market is extremely highly concentrated in some states.

2164 Mrs. {Ellmers.} So but for my, reclaiming my time, my  
2165 North Carolina constituents, though, will have less  
2166 competition.

2167 Mr. {Cohen.} Well, I don't know what's available to  
2168 them off the marketplace.

2169 Mrs. {Ellmers.} Let's move on because they live in  
2170 North Carolina.

2171 I would like for you to move to Exhibit 7, and this is  
2172 part of the approved application process. Now, in Exhibit 7  
2173 it says that the applicant basically is going to spend money  
2174 on participant incentives by purchasing and giving out gift  
2175 cards to obtain consumer feedback on assistance provided and  
2176 consumer knowledge from the satisfaction of the event.

2177 Do you believe that this is inappropriate use for the  
2178 Navigators to entice individuals with gift cards?

2179 Mr. {Cohen.} Well, it doesn't sound as though it is  
2180 enticing. It sounds like they want to get feedback, and in  
2181 order to encourage people to give them feedback, they are

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2182 going to give them--I know that--

2183 Mrs. {Ellmers.} So are you sure that the idea of the  
2184 gift card, I mean, so you know for sure that they would be,  
2185 you know, basically given the information and then you don't  
2186 see that as enticement?

2187 Mr. {Cohen.} That is what it looks like to me from  
2188 here, but I can check.

2189 Mrs. {Ellmers.} So just to clarify, you don't believe  
2190 that is enticement.

2191 Mr. {Cohen.} It doesn't look like it. No.

2192 Mrs. {Ellmers.} Okay. Well, I would like to go back to  
2193 a couple of the other issues. You know, now we have seen  
2194 repeatedly that there are many questions based on the letter  
2195 that we put out asking the Navigators, and of course, you  
2196 know, those on the other side of the aisle are saying that  
2197 this is, you know, intimidation, and certainly they have  
2198 quoted me as well, and I don't believe that Congress asking  
2199 questions and doing oversight is intimidation at all. We are  
2200 charged with making sure that taxpayer dollars are utilized  
2201 correctly, and I know that oversight is very important for  
2202 you as well.

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2203           You know, I would like to also go to the point here  
2204 where it says in a response, and I would like to submit this  
2205 for the record although we have it, that basically HHS  
2206 reported that we trust that our responsibility addresses your  
2207 questions about the Navigator Program and the guidelines and  
2208 controls in place to monitor the work of the awardees.

2209           Now, there are a number of these situations where you  
2210 are going to be getting back to us with answers. Is that  
2211 correct? Some of the different applicants, the questions  
2212 that have been posed to you. It is unclear at this point how  
2213 it is being implemented, and you have repeatedly said that  
2214 you would get back with information and written statements.

2215           Mr. {Cohen.} Right, and I have no objection or  
2216 questions whatsoever about--

2217           Mrs. {Ellmers.} Okay. So I guess--

2218           Mr. {Cohen.} --questions about this program directed to  
2219 us.

2220           Mrs. {Ellmers.} Okay. So do you not see that as a  
2221 basis for a delay at this point, that we would just continue  
2222 to move on with this process even though it is very, very  
2223 unclear as to how these applicants are really going to be



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2224 utilizing good, hard-earned taxpayer dollars?

2225 Mr. {Cohen.} No, I don't.

2226 Mrs. {Ellmers.} So you believe that we should continue  
2227 as it?

2228 Mr. {Cohen.} Absolutely.

2229 Mrs. {Ellmers.} Regardless of being able to report back  
2230 to Congress on this issue so that we can make sure that the  
2231 taxpayers of this country know that their dollars are being  
2232 utilized?

2233 Mr. {Cohen.} I don't think that your questions are a  
2234 basis for delay.

2235 Mrs. {Ellmers.} So if I were, I am a taxpayer  
2236 obviously. So if you were speaking to one of my constituents  
2237 right now, a little lady that lives down the street from me,  
2238 would you say based on all of these questions that have been  
2239 posed that her taxpayer dollars are being utilized well?

2240 Mr. {Cohen.} Absolutely, and I would say that--

2241 Mrs. {Ellmers.} Okay. Thank you.

2242 Mr. {Cohen.} --she should be very proud--

2243 Mrs. {Ellmers.} You have answered my question, but I  
2244 would also like to submit for the record to the points about

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2245 the issue of undermining and you know, being aggressive in  
2246 this effort. There is an article in the ``Business  
2247 Journal,'' Thursday, September 12, 2013, and I would like to  
2248 submit this for the record, where my office actually reached  
2249 out to Randolph Hospital who is a Navigator applicantee, and  
2250 let me just read a quote from them. ``From my perspective  
2251 and the hospital's perspective we just see this as a they are  
2252 doing their due diligence and making sure the organizations  
2253 that receive these funds are going to be used, and the funds  
2254 in the manner in which they were intended, said Devin  
2255 Griffith, Vice President of Care Continuum and Support  
2256 Services in Randolph.'' We don't foresee this as being a  
2257 problem.

2258 Thank you very much. I yield back the remainder of my  
2259 time.

2260 Mr. {Murphy.} The gentlelady yields back and now our  
2261 new member, Mr. Yarmuth, is recognized for 5 minutes.

2262 Mr. {Yarmuth.} Thank you very much, Mr. Chairman. I  
2263 appreciate the courtesy of the committee, and I am very  
2264 honored to be a part of the committee, even though it appears  
2265 I just joined a game of Trivial Pursuit that we are worried

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2266 about \$10 gift cards when we are talking about a law that  
2267 will affect 300 million Americans.

2268 Before I get into one line of questioning, I would like  
2269 to kind of plug my home State of Kentucky. Kentucky has  
2270 embraced the Affordable Care Act. Our governor has taken the  
2271 opportunity to provide insurance to 640,000 Kentuckians who  
2272 are currently uninsured. We have an exchange that is a model  
2273 I think for the country. It is called Kynect, K-y-n-e-c-t,  
2274 and one of the great ironies of this debate is that during  
2275 our state fair last month Kynect had a booth. A lot of  
2276 people curious about what was avoidable to them under the  
2277 law, and after talking to the people at Kynect they walked  
2278 away, many of them saying, wow, this is a lot better than  
2279 ObamaCare. So that is kind of what we are dealing with.

2280 There have been a couple of comments earlier today that  
2281 related to moves that certain corporations have made, and  
2282 Republicans have pounced on them as kind of making an  
2283 argument that they were somehow precipitated by the  
2284 Affordable Care Act and somehow resulted in a negative  
2285 outcome.

2286 One of them is UPS. UPS is not based in my district but

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2287 the global hub is there. They are our largest employer. So  
2288 when I heard about the fact that they were asking those  
2289 employees who had spouses who were eligible for coverage  
2290 through another employer to take their coverage there, and  
2291 they were going to stop providing dependent coverage to them,  
2292 that this was somehow something that the Affordable Care Act  
2293 forced them into. Republicans pounced on that. My Senator  
2294 Mitch McConnell did. So I talked to the UPS executives about  
2295 this, and they actually said, no, we are very upset about the  
2296 way Republicans have used us because what the Affordable Care  
2297 Act did was allow us to make this business move, which a  
2298 number of companies have done, and preserve our coverage at  
2299 current rates and current contributions for our employees,  
2300 about 15,000 out of the 770,000 lives that they insure.

2301 So it basically was nothing that the Affordable Care Act  
2302 did that resulted in a negative outcome, but my question to  
2303 you, Mr. Cohen, is before the Affordable Care Act, could UPS  
2304 have done what they did?

2305 Mr. {Cohen.} You know, I am not familiar with that  
2306 particular circumstance, but I don't believe so.

2307 Mr. {Yarmuth.} But UPS could have dropped their

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2308 coverage entirely before the Affordable Care Act?

2309 Mr. {Cohen.} Oh, of course.

2310 Mr. {Yarmuth.} UPS could have made any changes they  
2311 wanted to, could have--

2312 Mr. {Cohen.} Yes. Yes.

2313 Mr. {Yarmuth.} --given, provided inferior coverage,  
2314 anything they wanted to.

2315 Mr. {Cohen.} Correct.

2316 Mr. {Yarmuth.} And we all know that, I think most of us  
2317 know that when President Obama said if you like your  
2318 coverage, you can keep it, what he meant was that nothing in  
2319 the Affordable Care Act would force an employer to change  
2320 their coverage. Not that there might not be changes. In  
2321 fact, some might be an improvement, and the issue of  
2322 Walgreen's was mentioned earlier today. Walgreen's has  
2323 decided to set up a private exchange for its employees, not  
2324 shoving them into any government exchanges, so they have just  
2325 chosen to make an alternative arrangement for providing  
2326 insurance for their 160,000 employees. Isn't that correct?

2327 Mr. {Cohen.} That is what I understand.

2328 Mr. {Yarmuth.} And when they announced it, they said

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2329 the reason we were able to do that, the reason we wanted to  
2330 do it is because of the private exchanges, we can actually  
2331 take, expand the options that were available for our  
2332 employees. Right now they said there are only two high  
2333 deductible plans, so we could improve their situation.

2334 So you could actually make an argument, I think, and I  
2335 will make the argument that because of the Affordable Care  
2336 Act and the creation of exchanges and the success that the  
2337 exchanges seem to project in terms of increased competition  
2338 and lowering costs, that this gave Walgreen's an opportunity  
2339 to improve the situation with their employees. Would you  
2340 agree you could make that argument?

2341 Mr. {Cohen.} I agree, and I think it is important to  
2342 recognize that for many, many years employers have been  
2343 struggling with the ever-increasing costs of healthcare and  
2344 of health insurance, double-digit increases year after year,  
2345 and what we have seen in the last few years are significantly  
2346 lower increases in the cost of health premiums, and I think  
2347 we will continue to see that even more when the Affordable  
2348 Care Act is fully implemented and is a lot less uncompensated  
2349 care that all businesses have to pay for in their rates

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2350 because more people will have coverage.

2351 Mr. {Yarmuth.} And as a reminder when we go back to the  
2352 year that this law was being debated in 2009, premiums for  
2353 businesses were going up in many places as high as 38  
2354 percent. I think in California Blue Cross Blue Shield said  
2355 everybody is getting a 38 percent increase. So we have seen  
2356 a dramatic improvement since that time.

2357 Mr. {Cohen.} That is right.

2358 Mr. {Yarmuth.} Yes. Thank you very much for your  
2359 testimony.

2360 Mr. Chairman, thank you very much. I yield back.

2361 Mr. {Murphy.} The gentleman yields back.

2362 I now go to Dr. Gingrey for 5 minutes.

2363 Dr. {Gingrey.} Mr. Chairman, thank you.

2364 Mr. Cohen, I am going to read out to you some statistics  
2365 which you may or may not agree with, but a number of years  
2366 ago the United States Census Bureau came out with an estimate  
2367 of 47 million people, 47 million people in this country  
2368 without health insurance. They got this information  
2369 basically by calling and saying, do you have health  
2370 insurance? Yes or no? If they had just lost their job and

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2371 then off of health insurance for 1 week, the answer was no.  
2372 If the call had been received 2 weeks later, the answer very  
2373 well may have been yes.

2374 So 47 million people without health insurance is one  
2375 thing, but if it were for a full year without health  
2376 insurance, that would be a horse of an entirely different  
2377 color.

2378 In that 47 million, let's just assume there really were  
2379 47 million people who went uninsured for a full year. There  
2380 are probably no more than eight to 10 million people in this  
2381 country that do not have health insurance because they are  
2382 nearly poor. They are not eligible for Medicare, they are  
2383 not eligible for Medicaid. So the number was so grossly  
2384 inflated, and so when I hear from the other side of the aisle  
2385 that we Republicans who are totally opposed to this bill,  
2386 well, yes. We were, and that is one of the main reasons we  
2387 were.

2388 Now, another statistic, 1950, the average individual  
2389 spent \$500 a year on healthcare. In 2006, the latest year  
2390 that I have statistics for, the average individual probably  
2391 spent \$7,000 a year for healthcare. But look at the life



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2392 expectancy. The life expectancy in 1950, was the late 50's.  
2393 The life expectancy in 2006, 2007, indeed, today, is 80 years  
2394 old practically.

2395         So the value, yes, health costs in this country is too  
2396 high, and we need to constantly fight to lower it, find ways,  
2397 eliminate waste, fraud, and abuse, anything that we can do to  
2398 bring it down, but what is the value of each additional year  
2399 of a person's life because of what we have done. Yes,  
2400 because it is costly, but that is because of research and  
2401 development, durable medical equipment, medical devices,  
2402 well-trained physicians, super specialists, outstanding  
2403 drugs, antibiotics six generation now because of the GAIN  
2404 Act. So, of course, we were opposed to this bill. Now,  
2405 look.

2406         Let me get directly to a question for you. In 2 weeks  
2407 the rules say that the signup period on the exchanges  
2408 commences. Will individuals be able to sign up for a health  
2409 insurance plan on October the 1st, 2013?

2410         Mr. {Cohen.} Yes. Consumers will be able to sign up  
2411 for a health plan on October, beginning on October 1.

2412         Dr. {Gingrey.} They will actually be able to pick a

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2413 plan, whether it is Cigna, Aetna, Blue Cross, Blue Shield,  
2414 Platinum Gold, Silver, Bronze, whatever, they will be able to  
2415 do that on October the 1st?

2416 Mr. {Cohen.} That is my expectation based on the  
2417 progress that we have made and what I am told will be in  
2418 place on October 1. Yes.

2419 Dr. {Gingrey.} Thank you, and this will be my last  
2420 question because I am running out of time. Most of ObamaCare  
2421 is based on the premise that by forcing younger people into  
2422 the market, they will help lower the costs for the older and  
2423 the sicker individuals. But because the penalty is so weak,  
2424 there is a real problem if all those young people don't show  
2425 up, and I am afraid they won't.

2426 In my home State of Georgia the insurance commission  
2427 announced that for the average 27 year old no longer on their  
2428 parents' policy, out of the basement, living on their own,  
2429 premiums are set to rise anywhere from 85 to 198 percent. It  
2430 seems that a \$95 penalty would do little to incent young  
2431 people like that to purchase coverage when faced with huge,  
2432 huge premium increases.

2433 Mr. Cohen, a lot of the premise of ObamaCare is based on

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2434 getting these young people to enroll, to help broaden the  
2435 pool, lower the costs for the older and sicker. Have you  
2436 heard any concerns that because the penalty for ObamaCare is  
2437 so weak young people may stay out of the program in the first  
2438 year, and if they do opt out, what will this do to the cost  
2439 for the others?

2440 Mr. {Cohen.} So yes, I have read things, you know,  
2441 speculating that the penalty is low and will not be a reason  
2442 for people to sign up, but I think our research shows that  
2443 most people want healthcare, and the barrier has been the  
2444 cost, and that with subsidies care will be--the coverage will  
2445 be affordable, and it will be high-quality care, and we are  
2446 looking forward to people, including young people, enrolling  
2447 in coverage.

2448 Mr. {Murphy.} Thank you.

2449 Dr. {Gingrey.} Thank you, and Mr. Chairman, thank you  
2450 for your indulgence, and I yield back.

2451 Mr. {Murphy.} Thank you, Doctor. Mr. Griffith is next,  
2452 but he is going to yield his time, I mean, yield first to Mr.  
2453 Shimkus to ask questions and then to Mr. Griffith.

2454 Mr. Shimkus, you are recognized.

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2455           Mr. {Shimkus.} Thank you. I thank my colleague. I  
2456 want to thank the Chairman for letting me sit in. I am not on  
2457 this subcommittee, and I want to thank the Ranking Member.

2458           Mr. Cohen, welcome. You are trying to do the job  
2459 presented to you, and this is a tough committee. So let me  
2460 ask a couple questions because I have been trying to get my,  
2461 you know, just like regardless of how we feel on the law, if  
2462 nothing changes, and it gets enacted, members of the Congress  
2463 are going to have to address our constituents' concerns and  
2464 deal with that.

2465           So what I have tried to do is a couple things. I have  
2466 tried to meet with my grantees. I have met with one, but  
2467 some are now making themselves available to me, and I am just  
2468 trying to do it to get information. So I don't know what we  
2469 can do from the Administration's perspective to encourage the  
2470 grantees to talk to the elected members of Congress and the  
2471 regions that they are going to represent, but I would  
2472 personally appreciate it because I am trying to develop a  
2473 relationship because constituents are going to come to us.  
2474 They do for Medicare, they come to us for Medicaid, they do  
2475 for Social Security, veterans affairs. That is part of our

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2476 job, and I just need help.

2477 So I just say that as a member appealing to the  
2478 Administration.

2479 Mr. {Cohen.} So I think we would like to work with you  
2480 on a process for getting you the information that you want,  
2481 and you know, are entitled to that won't be disruptive of the  
2482 work that needs to be happening, particularly at this  
2483 particularly critical moment when they are just getting ready  
2484 to start their work.

2485 Mr. {Shimkus.} Yes, and I get it, I mean, because I did  
2486 meet with one, and it was very helpful.

2487 The other request I have is we have asked if we can get,  
2488 especially our staff member who deals, most of us have  
2489 constituent service people in our Congressional districts. I  
2490 have one that she is an expert now on Medicare and Medicaid.  
2491 I have another one who is an expert on veterans' affairs. We  
2492 have put forth a request to say can't I get this person  
2493 trained? Can they sit through the training?

2494 Mr. {Cohen.} Yes.

2495 Mr. {Shimkus.} We were told no. So--

2496 Mr. {Cohen.} You were told no by?

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2497           Mr. {Shimkus.} I can get you the answers, but we were  
2498 told we can't, they wouldn't allow us to be trained. So--

2499           Mr. {Cohen.} That doesn't sound right to me.

2500           Mr. {Shimkus.} That is fine. I want my staffer to know  
2501 as much information as they can as they are going to have to  
2502 deal with this. Hopefully not but--

2503           Mr. {Cohen.} No. Absolutely.

2504           Mr. {Shimkus.} --my guess is they might have to deal  
2505 with this. So when I talked to the one grantee, this is the  
2506 point that they made. They have got 33 Navigators, they are  
2507 dispersed throughout healthcare. We have kind of vetted that  
2508 out in this hearing today.

2509           But they only have two slots for training. There is a  
2510 20-hour, I mean, there is an online training. I have learned  
2511 that much, and then I am from Illinois, so there is a 2-day  
2512 training, probably an overnight, and that is kind of where we  
2513 were researching to get our staffer involved in both those  
2514 trainings, but the real--

2515           Mr. {Cohen.} At the state-required training or is that--  
2516 -

2517           Mr. {Shimkus.} Yes. That is why I am trying to figure

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2518 it out. So but my point is this one grantee will before the  
2519 operational date of October 1, will only be able to get two  
2520 of his individuals through the training. I am just--and I  
2521 can tell you, I don't want to air, but I would be glad to  
2522 talk to you.

2523 Mr. {Cohen.} If we could get in touch with your staff--

2524 Mr. {Shimkus.} Thank you.

2525 Mr. {Cohen.} --I would really be very happy to look  
2526 into that in particular.

2527 Mr. {Shimkus.} And then they also raised the issue that  
2528 getting a clearance for these people is basically the State  
2529 of Illinois providing clearance. They will not be ready to  
2530 handle this information because of the clearance process. So  
2531 I am just using this opportunity to show you some of the  
2532 concerns that I have, and I am very concerned because I want  
2533 to, I don't like the law, I voted against the law, but I know  
2534 I am going to get calls about how we can help my  
2535 constituents, and I want to be ready to do that.

2536 Mr. {Cohen.} So I appreciate that very much. I have to  
2537 say that I am concerned that some states have put in  
2538 requirements which they are entitled to do, you know, but

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2539 that are making it a little bit more difficult for the  
2540 Navigators to get ready in time for October 1. So maybe we  
2541 can work with you and try to work through some of those  
2542 issues.

2543 Mr. {Shimkus.} I would appreciate it. Let me just go  
2544 the final question. It was kind of based upon listening to  
2545 testimony today about, you know, whether you are going to go  
2546 door to door, and I don't have a dog in that fight, but I am  
2547 concerned that as we have people who are trained and  
2548 qualified that we have a process that someone can go back to  
2549 a government website and say, they are legit, they are not  
2550 legit. Have you all considered putting a list of names of  
2551 the Navigators on a .gov site or something?

2552 Mr. {Cohen.} So we are working through that. I think  
2553 the latest discussion is that we will provide the list to the  
2554 state insurance departments so that there will be a local  
2555 place where people can go to make sure that folks are who  
2556 they are supposed to be.

2557 Mr. {Shimkus.} And it is up to them if they put it  
2558 online or not?

2559 Mr. {Cohen.} Right.



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2560           Mr. {Shimkus.} Okay. Again, Chairman, thank you very  
2561 much. Ranking Member, thank you very much, and I yield back  
2562 the time.

2563           Mr. {Murphy.} I thank the gentleman from Illinois, and  
2564 I know, I think many offices would love to know how our staff  
2565 can also log on to get the training as well. Thank you.

2566           Finally, Mr. Griffith is recognized for 5 minutes.

2567           Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate  
2568 that very much.

2569           Let me follow up on that. It might also be good to get  
2570 some of these folks' IDs. In this morning's ``Blue Field  
2571 Daily Telegraph'' there is an article about door-to-door  
2572 scammers looking for prescription drug information. I know  
2573 you can't stop all the bad actors out there, but we have a  
2574 group running around in Tazewell County, Virginia, pretending  
2575 to be part of the Appalachian Agency for Senior Citizens, and  
2576 even though you are telling folks they are not supposed to do  
2577 door to door, the word out there is is that some people are  
2578 going to do door to door.

2579           I would now draw your attention to the Exhibit 2, and  
2580 you will notice in that proposal in the second paragraph it

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2581 says that they propose going door to door. So even some of  
2582 the proposals and some of the people who are supposed to be  
2583 doing this apparently have the misunderstanding they are  
2584 supposed to go door to door.

2585 One of the other questions that I have for you and then  
2586 I will come back to Exhibit 2 so you might want to leave that  
2587 open is that the State Corporation Commission in Virginia,  
2588 Bureau of Insurance approved or certified as acceptable plans  
2589 at the end of July. It was their assumption that they would  
2590 have some information by now. They as of this morning do not  
2591 know whether or not their plans because Virginia is not doing  
2592 its own exchange, it is going through federal exchange, but  
2593 the State Bureau of Insurance was sending plans that were  
2594 approved. They haven't heard anything back as of this  
2595 morning, so they don't know whether these plans are actually  
2596 going to be approved or not.

2597 And so I would ask you to check on that, please, and get  
2598 us some help because we have got 7 business days left to go,  
2599 and the State of Virginia doesn't know what plans are going  
2600 to be approved by the--

2601 Mr. {Cohen.} I absolutely will. That surprises me

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2602 because I know we have been in contact with the states on a  
2603 regular basis, but I will absolutely follow through on that.

2604 Mr. {Griffith.} And I will just tell you we checked  
2605 with him this morning. I will tell you another concern is  
2606 and this happens in a lot of rural areas I am sure, is that  
2607 there is not going to be competition in ten of the  
2608 jurisdictions I represent. There is either only one shot  
2609 plan or only one individual plan, and five of those  
2610 jurisdictions, the counties of Buchanan, Grayson, Lee, Scott,  
2611 and the city of Bristol, there is only one shot plan and one  
2612 individual plan. And so a lot of my constituents do not have  
2613 a whole lot of choices to choose from, and obviously if there  
2614 is a monopoly, that may have affect prices as well, wouldn't  
2615 you think?

2616 That being said I will point you back now to the Exhibit  
2617 2. Just so you will know that we are looking at this, you  
2618 will see on the first page the project abstract for the  
2619 Navigator, and it is going to cover two counties, one in  
2620 Florida, one in Texas. On the next page you will see further  
2621 that the application says they will have 50 exchange  
2622 Navigators, and then you have to follow through, and we have

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2623 done some of the math for you, and my time is running out, so  
2624 I will lead you through some of this and then ask you to  
2625 comment.

2626 On the next page you will see their enrollment goals,  
2627 and they state in the second bullet point that they want  
2628 enrollment goals about 75 percent of those they are trying to  
2629 reach, and they indicate that through provision of  
2630 literature, et cetera, a total of 288,750 per targeted county  
2631 by the end of the program year or a total of 577,700, and so  
2632 what we have got is we have got a Navigator in their  
2633 statement saying that somebody in your office approved that  
2634 they are going to enroll 577,000 people plus by the end of  
2635 the year, and that works out to 11.500 enrollees per  
2636 Navigator when you take that 577,500 people and divide it by  
2637 50 Navigators. And, of course, remember these are the folks  
2638 who were also not only going to be doing fairs and so forth  
2639 but were going to be saying they were going to go door to  
2640 door.

2641 Do you really believe that one Navigator can enroll  
2642 11,500 people, taking the time that they had originally when  
2643 this was done until the end of the year? It looks like it is

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2644 31 people a day counting weekends and holidays. That is not  
2645 really very realistic, is it? I have done door knocking  
2646 before, and I have done a lot of voter outreach, and to reach  
2647 that many people a day and actually get them to say yes is  
2648 not an easy accomplishment.

2649 Mr. {Cohen.} So I would say again, I mean, this is  
2650 clearly a proposal, an application. It was approved. This  
2651 grantee was approved. They got a grant. There is a budget  
2652 process that happens as part of that approval. I don't, I  
2653 can't tell you. I will commit to you to find out more  
2654 information about this grantee if you would like, but I can't  
2655 tell you whether this is how it ended up or whether there  
2656 were any changes, and I don't feel comfortable commenting on  
2657 it because I literally have, am just seeing it now. So--

2658 Mr. {Griffith.} I understand it if you could give me  
2659 some comment later, I would appreciate that very much. These  
2660 are concerning numbers, and obviously there are some people  
2661 out there at least thinking they are supposed to go door to  
2662 door, and that is of concern because then when people start  
2663 going door to door it makes it much--

2664 Mr. {Cohen.} Right.

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2665           Mr. {Griffith.} --easier for particularly senior  
2666 citizens to be victims of bad actors and not the real  
2667 Navigators. They are not going to ascribe that to the real  
2668 Navigators but folks going out there and they know people are  
2669 supposed to be going door to door, people are coming by, and  
2670 the next thing you know they are finding out whether or not  
2671 they have prescription drugs, and then what they are doing  
2672 apparently in that particular county or what the sheriff  
2673 fears is that they will go back and rob the house, and they  
2674 are more interested in getting the drugs than they are  
2675 getting TVs, and they are just trying to figure out which are  
2676 the prime targets. And so that is of concern.

2677           I will also tell you and I am not sure that this falls  
2678 under your jurisdiction, but we are having a real problem  
2679 with the doctor shortage in the Commonwealth of Virginia.  
2680 There is an article today about some people in the eastern  
2681 part of the state that are having a problem. I don't  
2682 represent that particular part of Virginia, and I will tell  
2683 you that recently one of my hospitals closed. Their number  
2684 one reason was ObamaCare, and the aspects, the cuts to  
2685 Medicare, the double, I call it the scissor where the states

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2686 under the original plan were supposed to but didn't have to  
2687 on the Supreme Court ruling, expand Medicaid and then the  
2688 final straw for those particular folks besides the war on  
2689 coal which lowered the economy in the area so you had less  
2690 insured people, the final straw was the fact that they  
2691 couldn't get doctors to staff the hospital in an adequate  
2692 fashion and so now I have got folks that are going to have to  
2693 travel an hour to an hour and a half to get cardiac care. It  
2694 is a very serious concern. I am very worried about the  
2695 people who live in my district and whether or not they are  
2696 going to be able to get adequate healthcare under this  
2697 ObamaCare Program.

2698 And like the others who have spoken, I, too, hope that  
2699 you will educate us on how to enroll people, because we will  
2700 get calls.

2701 Mr. {Murphy.} Okay. The gentleman's time has expired,  
2702 and with that, Mr. Cohen, we appreciate you coming for this  
2703 committee again today, and I ask unanimous consent that the  
2704 written opening statements of other members be introduced  
2705 into the record if they wish, and without objection those  
2706 will be entered into the record.

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2707 [The information follows:]

2708 \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*



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2709           Mr. {Murphy.} I also ask unanimous consent to enter the  
2710 document binder into the record subject to appropriate  
2711 redactions by staff. I also ask for unanimous consent to put  
2712 an article into the record from the ``Business Journal''  
2713 dated September 12, 2013.

2714           So without objection that is so ordered.

2715           [The information follows:]

2716           \*\*\*\*\* COMMITTEE INSERT \*\*\*\*\*

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2717           Mr. {Murphy.} Again, Mr. Cohen, thank you so much for  
2718 coming. We appreciate your timely response also to members'  
2719 requests for assistance for their staff and others in  
2720 providing information and for the testimony that you and  
2721 other members have asked here and the devotion of members at  
2722 this hearing today.

2723           The committee rules provide that members have 10 days to  
2724 submit additional questions for the record of the witness.  
2725 And with that this hearing is now adjourned.

2726           Mr. {Cohen.} Thank you.

2727           [Whereupon, at 12:26 p.m., the Subcommittee was  
2728 adjourned.]