



THE COMMITTEE ON ENERGY AND COMMERCE

Memorandum

January 14, 2014

To: Members, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Subject: Hearing entitled "2014: Seeking PPACA Answers"

On Thursday, January 16, 2014, at 9:30 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing examining the full implementation of the Patient Protection and Affordable Care Act (PPACA).

I. Witness

Mr. Gary Cohen
Director
Center for Consumer Information and Insurance Oversight
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services

II. Background

The Center for Consumer Information and Insurance Oversight (CCIIO) is the government agency responsible for the implementation of the PPACA provisions related to private health insurance. The Subcommittee on Oversight and Investigations previously has held hearings on the work of CCIIO on February 16, 2011, April 1, 2011, March 21, 2012, April 24, 2013, and September 19, 2013. Notably, the Subcommittee has examined CCIIO's role in overseeing the waivers granted to entities that could not comply with the PPACA's prohibition on annual or lifetime limits, the implementation of the Pre-Existing Condition Insurance Plan and Early Retiree Reinsurance Program, and the Federal Navigators program created to assist consumers with PPACA compliance.

CCIIO is the lead agency in the establishment of the health insurance marketplaces (Exchanges) that began enrollment on October 1, 2013. At the April 18, 2013, Subcommittee on Health hearing on the U.S. Department of Health and Human Services' (HHS) FY 2014 Budget request, Secretary Sebelius stated that the Exchanges would be ready on time in the fall of 2013, but also noted that there was no contingency plan in place if that goal is not achieved. In the

weeks before the launch of HealthCare.gov, the contractors responsible for building the exchange enrollment and verifications systems told the Subcommittee on Health that they were on time, while Mr. Cohen informed the Subcommittee on Oversight and Investigations that “consumers would be able to go online, they will be able to get a determination of what tax subsidies they are eligible for, they will be able to look at the plans that are available where they live, they will be able to see the premium net of subsidy that they would have to pay, and they will be able to choose a plan and get enrolled in coverage beginning October 1.”¹

Coverage for plans sold through the exchanges began on January 1, 2014. Due to issues with the performance of HealthCare.gov, there have been many concerns that consumers who believed they had obtained coverage would not be able to utilize it.² A remaining concern is who is signing up for coverage in the Exchanges, as young adults are expected to help offset the costs of older enrollees.³

Finally, CCIIO is responsible for the many other changes made by the PPACA to the private health insurance market, including coverage for young adults, grandfathered plans, the new requirements for Medical Loss Ratios, and the review of insurance rate increases.

III. Issues

The following issues will be examined at the hearing:

- What changes have been made since the launch of HealthCare.gov?
- Two weeks into full implementation, how are the Exchanges performing? Are there issues or problems unique to those Exchanges operated by States, those run in partnership with the Department of Health and Human Services (HHS), or the Federal Exchanges?
- What has been the CCIIO experience in handling the new requirements of the PPACA as the country begins full implementation of the law?
- What additional programs or policies can the public expect in 2014 as the Administration handles the full implementation of the PPACA?

IV. Staff Contacts

If you have any questions regarding the hearing, please contact Sean Hayes at (202) 225-2927.

¹ <http://energycommerce.house.gov/hearing/two-weeks-until-enrollment-questions-cciiio>.

² Tam Luhby, *Help! I can't use my Obamacare benefits*, CNN, Jan. 12, 2014, <http://money.cnn.com/2014/01/12/news/economy/obamacare-insurers/>.

³ Lewis Krauskopf, *Obamacare may get sick if young Americans don't sign up*, Reuters, Jan. 12, 2014, <http://www.reuters.com/article/2014/01/12/us-usa-healthcare-enrollment-idUSBREA0B07Y20140112>.