



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

May 5, 2014

TO: Members, Subcommittee on Oversight and Investigations

FROM: Committee Majority Staff

RE: Hearing on “PPACA Enrollment and the Insurance Industry”

On Wednesday, May 7, 2014, at 10:15 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing entitled “PPACA Enrollment and the Insurance Industry.” This hearing will examine the implementation of the Patient Protection and Affordable Care Act (PPACA), and in particular, the status of enrollment and the marketplace.

I. WITNESSES

The Committee invited representatives from the following insurers: Aetna, Cigna, the Health Care Services Corporation, and Wellpoint. Representatives from America’s Health Insurance Plans and the Blue Cross Blue Shield Association also were invited. The witness names will be made available [here](#).¹

II. BACKGROUND

2014 is the first year of full implementation for the PPACA. Due to the troubled rollout of HealthCare.gov² and the numerous delays announced by the administration,³ a complete assessment of that implementation has been difficult. At the intersection of the individual experience with the health insurance industry and the administration’s implementation of the PPACA is the insurance industry.

The first PPACA open enrollment period ended on March 31, 2014, while individuals who were prevented from enrolling because HealthCare.gov did not work were given a special exemption period.⁴ While the administration periodically has reported on the number of individuals selecting a

¹ <http://energycommerce.house.gov/hearing/ppaca-enrollment-and-insurance-industry>.

² Sarah Kliff, Philip Rucker and Sandhya Somashekhar, *Sebelius on health-care law rollout: Hold me accountable for the debacle. I’m responsible.* WASHINGTON POST, Oct. 30, 2013. http://www.washingtonpost.com/national/health-science/sebelius-on-health-care-law-rollout-hold-me-accountable-for-the-debacle-im-responsible/2013/10/30/7ef34e04-4197-11e3-a624-41d661b0bb78_story.html.

³ Elise Viebeck, *HHS widens O-Care penalty exemptions*, THE HILL, May 2, 2014. <http://thehill.com/policy/healthcare/205072-hhs-widens-exemptions-from-o-care-penalty>.

⁴ Robert Pear, *U.S. to Extend Sign Up Period for Insurance*, THE NEW YORK TIMES, March 25, 2014. http://www.nytimes.com/2014/03/26/us/politics/obama-administration-extends-health-enrollment-for-some.html?_r=0.

plan online, they have not provided information on who actually has paid for those plans. The payment rate for plans purchased on HealthCare.gov has remained an ongoing concern because individuals who do not pay their premiums will not become fully enrolled and part of the insurance risk pool.⁵ One of the reasons given for why the administration was unable to provide precise enrollment information was because the problematic implementation of HealthCare.gov prevented the building of the systems that would gather that data. A White House spokesman noted that the insurance industry would collect this data, saying “Questions about who exactly has paid for the health insurance can best be directed to those private insurance companies that are collecting those payments.”⁶ During the problematic rollout of HealthCare.gov, the Committee attempted to obtain more detailed enrollment information from the administration.⁷ In light of these comments and the administration’s inability to produce detailed information, the Energy and Commerce Committee requested this data⁸ from the insurers the administration lists as participants in the Federally-Facilitated Exchange serviced by HealthCare.gov.⁹

Through April 15, 2014, industry data provided to the Committee indicates that the payment rate nationwide is 67 percent. After discussing with industry representatives what would be the appropriate date to obtain a final update of the payment information, the Committee last week requested another submission of the payment rate on May 20, 2014.¹⁰ This week, the administration announced that over 8 million individuals had selected plans via the Federal and State exchanges. They did not provide any data on payment rates.

The insurance industry also will be on the frontline for how consumers and patients experience the PPACA this year. While there may be an effort to control costs, limitations on plan networks and doctor choices may impact medical care choices for.¹¹ Later this year, the industry also will need to announce the premiums consumers can expect to pay for policies next year.¹² The administration already has delayed the public’s ability to see the plans and prices for next year until mid-November.¹³ Questions also remain about whether individuals who were permitted to keep the

⁵ Kyle Cheney, *So how many have paid ACA premiums?*, POLITICO, March 13, 2014, <http://www.politico.com/story/2014/03/obamacare-affordable-care-act-health-insurance-premiums-104602.html>; Sam Baker, *15-20 Percent Aren’t Paying Obamacare Premiums, Insurer Says*, NATIONAL JOURNAL, April 2, 2014, <http://www.nationaljournal.com/health-care/15-20-percent-aren-t-paying-obamacare-premiums-insurer-says-20140402>.

⁶ *Id.*

⁷ <http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/letters/20131008HHS.pdf>.

⁸ <http://energycommerce.house.gov/letter/letter-insurance-providers-federally-facilitated-marketplace>.

⁹ <https://www.healthcare.gov/health-plan-information/>.

¹⁰ <http://energycommerce.house.gov/letter/letter-insurance-providers-federally-facilitated-marketplace-0>.

¹¹ Sarah Kliff, *Obamacare’s narrow networks are going to make people furious—but they might control costs*, WASHINGTON POST, Jan. 13, 2014, <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/01/13/obamacares-narrow-networks-are-going-to-make-people-furious-but-they-might-control-costs/>; Kate Pickert, *Keeping Your Doctor Under Obamacare Is No Easy Feat*, TIME, Jan. 1, 2014, <http://swampland.time.com/2014/01/01/keeping-your-doctor-under-obamacare-is-no-easy-feat/>.

¹² Jason Millman, *Aetna: Late Obamacare changes account for half of 2015 premium increases*, WASHINGTON POST, April 24, 2014, <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/04/24/aetna-late-obamacare-changes-account-for-half-of-2015-premium-increases/>.

¹³ Devin Dwyer, *White House Delays 2015 Obamacare Enrollment*, ABC NEWS, Nov. 22, 2013, <http://abcnews.go.com/blogs/politics/2013/11/white-house-delays-2015-obamacare-enrollment/>.

plans they liked will be able to continue to do so, or whether 2014 will feature similar plan cancellations to the millions that occurred in 2013.¹⁴

III. ISSUES

The following issues may be examined at the hearing:

- What does the industry believe the final enrollment total will be in the PPACA exchanges?
- Are there any states facing unique risk pools or payment problems?
- What has the industry's experience been with HealthCare.gov and the other systems the administration was responsible for creating?
- What can consumers and patients expect to experience regarding networks, doctor choices, and future premiums under the PPACA?

IV. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Sean Hayes or Karen Christian of the Committee staff at (202) 225-2927.

¹⁴ Sam Baker, *Obama Apologizes for Cancelled Health Plans*, NATIONAL JOURNAL, Nov. 7, 2013, <http://www.nationaljournal.com/health-care/obama-apologizes-for-cancelled-health-plans-20131107>.