

**Opening Statement of the Honorable Tim Murphy**  
**Subcommittee on Oversight and Investigations**  
**Hearing on “PPACA Implementation: Updates from CMS and GAO”**  
**July 31, 2014**

*(As Prepared for Delivery)*

Our first witness this morning is Mr. Andy Slavitt, the Principal Deputy Administrator at the Centers for Medicare and Medicaid Services. This is Mr. Slavitt's first testimony as a CMS employee, but not his first appearance before this Subcommittee - some of you may recall that Mr. Slavitt appeared before us last October to testify on behalf of one of the contractors who built HealthCare.gov.

Our ongoing concern about HealthCare.gov is one of the reasons that we are holding this hearing today. Exactly one year ago this week, Members of this Committee will remember that we heard from CMS Administrator Tavenner who told us that HealthCare.gov would be ready on October 1. The contractors told us the same thing. Our reviews of the website were brushed aside but we know how our fears of a massive flop were well-founded. The roll-out of the Affordable Care Act was an unmitigated disaster. So Mr. Slavitt, we hope to hear from you today about how things are progressing - and frankly, we hope to hear the same candor from you as an administration official that we heard last fall when you testified on behalf of QSSI, the company that built the hub for HealthCare.gov.

Mr. Slavitt's new role also comes at an opportune time for the administration to address the systemic problems that led to the HealthCare.gov disaster. After Mr. Slavitt's testimony we will hear from William Woods with the Government Accountability Office. Today, the GAO has released a review of the failed October 1st launch of HealthCare.gov confirming what this Committee learned during its own review of the web site: the administration didn't have the expertise; couldn't meet deadlines; and didn't have the leadership or organizational skills to manage this massive undertaking. And GAO also has given us a price tag for this boondoggle. A broken web site that the President promised would be as easy to use as any e-commerce site cost the taxpayers nearly one billion dollars. And we'll also hear from GAO that these costs are still going up.

Some of my colleagues may whine that we're spending too much time examining the failed website's launch. I'm not surprised they don't walk to talk about it, but the reality is these problems are still playing out and may impact this fall's open enrollment period. We still do not know if the Administration has a system in place capable of handling inconsistencies, inaccurate subsidies, or whether CMS will ever put in place a functioning payments system.

We will ask today about HealthCare.gov contracts and the GAO report, but as we head into open enrollment this fall, patients and families need to know how this law will affect them because each day, the ACA is making our health care system more expensive, fragmented, and restrictive. Earlier this summer, insurers were required to notify the administration plans for premium rates in 2015. We hope the witness today will provide information on the rates that have been submitted, when the public will know them with enough time to plan for their purchase, and whether the public will ever see the \$2,500 in savings that the President promised.

Speaking of promises, we also want to know if Americans were able to keep their doctor and if they were able to keep their plan if they liked it. Earlier this year this Committee heard testimony from representatives of the insurance industry who noted that the requirements in the health care law required the cancellation of millions of policies, and we hope to hear whether the administration predicts widespread cancellations and uncertainty again this fall.

And it is not only individual plans that we are concerned about. Last week the IRS finally began releasing information related to the enforcement of the employer mandate. This may be surprising to many - the administration after all has delayed this several times - but it certainly raises questions about what will happen when one of the law's most controversial pieces finally goes into effect.

Finally, I remain concerned about the overall impact of this law. Millions of Americans had their health insurance cancelled because of the law, only to find that the plans they are now forced to buy are much more expensive. Some people may qualify for subsidies, others do not. At the same time the law's massive cost and disruptive impact on the economy will continue to be felt for years. I again thank both the witnesses for testifying and now recognize the Ranking Member for 5 minutes.

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