

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Oversight and Investigations**  
**Hearing on “An Overdue Checkup Part II: Examining the ACA's State Insurance**  
**Marketplaces”**  
**December 8, 2015**

*(As Prepared for Delivery)*

Today we continue our oversight into the Obamacare state health insurance marketplaces. Hardworking taxpayers invested over \$5.5 billion to establish these state exchanges, yet they still continue to struggle. The exchanges are struggling to sign up new customers, struggling to cover operational costs, struggling to fix ongoing IT systems problems, and ultimately, struggling to become self-sustaining.

We welcome the Centers for Medicare and Medicaid Services' Acting Administrator Andy Slavitt today and appreciate his testimony on this important issue. As the state exchanges struggle to survive, we seek to understand CMS's role in overseeing them. The government's robust investment of federal funds into state exchanges should have been accompanied by equally robust accountability by these stewards of taxpayer dollars.

Yet, the committee's oversight has revealed that CMS took a hands-off approach to the state exchanges. For example, CMS rubber-stamped No Cost Extension requests, issued permissive and vague guidance, and welcomed failed state exchanges to the federal platform with no questions asked. This is unacceptable. We want to hear directly how CMS plans to improve its oversight over the state exchanges, to ensure that they are spending grant dollars legally and wisely.

We also must understand the long-term sustainability of the state exchanges. Especially against the backdrop of rising premiums, failing CO-OPs, and insurance companies doubting their participation in the exchanges next year, the writing is on the wall that we very well could see yet another big taxpayer investment spiral down the drain. It is critical that we all understand the short- and long-term challenges that state exchanges are facing as well as what CMS is doing to help the exchanges confront these challenges.

Regardless of one's view of the president's health law, the law and its implementation demand oversight. As we continue to see today, billions of dollars are at stake.

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