Opening Statement of the Honorable Joe Pitts
Subcommittee on Health and Subcommittee on Oversight and Investigations
Joint Hearing on "The Affordable Care Act on Shaky Ground: Outlook and Oversight"
September 14, 2016

(As prepared for delivery)

Today's hearing is especially timely as we learned startling news over the summer, confirming our worst fears, that the some of the most significant health insurers – UnitedHealth, Aetna, Humana – are opting out of Obamacare's health insurance exchanges. This is concerning on several levels – the most basic being for individuals who are paying more only to get less.

One of the most ambitious aspects of the Affordable Care Act (ACA) was the creation of the health insurance marketplaces. Proponents of the ACA said it would increase market competition and lead to lower costs for consumers and insurers. But in fact, just the opposite has happened. Consumer health insurance options are now more limited, and insurers have been driven out of the ACA marketplace.

The exchanges have faced numerous problems – lower than expected enrollment with sicker people enrolling; larger, unpredictable operational costs; and, insurers leaving the exchanges.

Of particular concern are the persistent vulnerabilities of the application, eligibility, and enrollment processes. Just this week, the Government Accountability Office released two reports detailing the severity of the lack of real safeguards in the exchanges. Of the 18 fictitious applications GAO made for subsidized plans in 2015, 17 received coverage. GAO was initially 15 for 15 in 2016, with one fictitious applicant enrolling in three different states at the same time.

Also of interest, Section 1322 of the ACA established the Consumer Operated and Oriented Plan (CO-OP) program. But these, too, are failing (one as recently as Tuesday) – and disrupting coverage for thousands of enrollees. Co-ops were set up to increase competition. But instead of the original 23 co-ops funded with $2.3 billion taxpayer dollars, only six are still in existence further reducing coverage for thousands of people – in the middle of the plan year, resulting in higher out of pocket costs and changing doctors.

Our Oversight and Investigations Committee has conducted critical work in this area as well as on the functionality of state-based exchanges. The staff reports we will review today are thorough and provide a sad reminder of the failed promises this misguided law delivers.

We have before our committees today some of the very officials who can answer our questions surrounding these troubling reports – the Acting CMS Administrator, the HHS OIG Deputy Inspector General for Audit Services, and the Government Accountability Office.

I look forward to hearing about the oversight work conducted by the GAO and HHS OIG; as well as the steps taken by CMS to improve exchange risks and CO-OP programs.

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