



THE COMMITTEE ON ENERGY AND COMMERCE

MEMORANDUM

July 14, 2014

To: Members, Subcommittee on Health

From: Majority Committee Staff

Re: Hearing Entitled “Failure to Verify: Concerns Regarding PPACA’s Eligibility System”

On Wednesday, July 16, 2014, at 10:00 a.m. in 2322 Rayburn House Office Building, the Subcommittee on Health will hold a hearing entitled “Failure to Verify: Concerns Regarding PPACA’s Eligibility System.” This hearing will focus on state of the health care law’s exchange eligibility system.

I. WITNESSES

- Kay Daly, Assistant Inspector General, Office of Audit Services, Office of Inspector General - Health and Human Services; and,
- Joyce Greenleaf, Regional Inspector General, Office of Evaluation and Inspections, Office of Inspector General - Health and Human Services.

II. BACKGROUND

The Patient Protection and Affordable Care Act (PPACA) created new health insurance exchanges to facilitate the purchase of qualified health plans that meet a number of Federal requirements. The law also created an income-based subsidy system for premiums and cost-sharing for certain qualified individuals.

PPACA’s exchanges, in part, are meant to facilitate eligibility determinations for the premiums and cost-sharing subsidy programs. Federal law requires that “prior to making such credits and reductions available, the Secretary shall certify to the Congress that the Exchanges verify such eligibility consistent with the requirements of such Act.”¹

However, several facts raise serious doubts regarding the integrity of PPACA’s eligibility system. On June 4, the Committee released documents that indicated, as of May 27, there are at least 4 million recorded inconsistencies in health care applications in the Federally Facilitated Marketplace.² The Office of Inspector General at the Department of Health and Human Services

¹ Continuing Appropriation Act, 2014 (Public Law 113-46).

² New Documents Indicate Obamacare Applications Have At Least 4 Million Errors As Backend Systems Remain Incomplete. House Energy and Commerce Committee (June 4, 2014) <http://energycommerce.house.gov/press-release/new-documents-indicate-obamacare-applications-have-many-4-million-errors-backend#sthash.pMYFG0yx.dpuf>.

also released reports on July 1, 2014, detailing that serious gaps and lack of internal controls for verifying Social Security numbers, citizenship, and other sources of health coverage.³

The hearing will present an opportunity for the Subcommittee to better understand the nature of these inconsistencies and reasons for them.

III. STAFF CONTACTS

Should you have any questions regarding the hearing, please contact Paul Edattel, Katie Novaria, or Josh Trent of Committee staff at (202) 225-2927.

³ Marketplaces Faced Early Challenges Resolving Inconsistencies With Applicant Data. HHS OIG (June 2014); <https://oig.hhs.gov/oei/reports/oei-01-14-00180.asp>.
Not All Internal Controls Implemented by the Federal, California, and Connecticut Marketplaces Were Effective in Ensuring That Individuals Were Enrolled in Qualified Health Plans According to Federal Requirements. HHS OIG (June 2014) <https://oig.hhs.gov/oas/reports/region9/91401000.asp>.