

Chairman Fred Upton Statement for the Record
Health Subcommittee Hearing on “Failure to Verify: Concerns Regarding
PPACA’s Eligibility System
July 16, 2014

For months and even years, the alarms were sounding over the president’s health care law that it was not ready for prime time and that it would not work for the American people. For the past nine months, since the start of the first open enrollment period, we have seen this play out in a broken and still-incomplete website, cancelled plans, rising costs, and false promises from the administration.

The Office of Inspector General is before the subcommittee today to discuss important work that underscores some of the major problems that continue to plague this broken law. Two recent reports from the administration’s own nonpartisan watchdog provide a preview of what the future of this law holds.

These reports indicate that, despite assurances from the Secretary of Health and Human Services, the backend and verification systems for the health care exchanges is *still* not built.

OIG has found that HHS failed to resolve nearly 2.6 million of 2.9 million data inconsistencies as of February of this past year. This committee has uncovered that this number grew to more than 4 million by the end of May. What’s worse, HHS still does not have a fully operational eligibility verification system in place although the systems should be the highest priority.

The administration should never have gone live last fall in the first place without the website being structurally complete, and yet everyday Americans are left to endure the administration's incompetence. And, according to media reports, it seems the administration has made it a higher priority to fight bad publicity, than to actually fix the problems.

Taxpayers could be on the hook for improper payments in a program that is estimated to spend \$1 trillion over the next decade. Middle class families filing their taxes in 2015 could come to find out they owe the IRS thousands of dollars based on an inaccurate eligibility determination.

Sadly, it is clear this administration has taken a "spend first, verify later" approach to this law, and it's taxpayer dollars that are on the line. Once again, ordinary Americans stand to suffer because of the administration's reckless rollout of this health care law and its disregard for taxpayer dollars.