



# THE COMMITTEE ON ENERGY AND COMMERCE

## MEMORANDUM

July 30, 2013

To: Committee on Energy and Commerce  
From: Majority Committee Staff  
Re: Hearing Entitled “PPACA Pulse Check”

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On Thursday, August 1, 2013, at 10:00 a.m. in 2123 Rayburn House Office Building, the Energy and Commerce Committee will hold a hearing entitled “PPACA Pulse Check.” With open enrollment scheduled to begin on October 1, 2013, this hearing will examine the Administration’s plans for implementing the Patient Protection and Affordable Care Act (PPACA) and allow Americans to learn how they might be affected by the law. The following provides background on PPACA and outlines key issues of interest for the hearing.

### I. WITNESS

Marilyn Tavenner  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services

### II. BACKGROUND

PPACA was signed into law by President Obama on March 23, 2010. While some provisions already have taken effect, major pieces of the law are not yet fully implemented. For example, open enrollment in the Federal and State health exchanges begins on October 1, 2013, and coverage begins on January 1, 2014. As of publication of this memorandum, 18 states have elected to operate a State-based exchange while the remainder have defaulted to a Federal or partnership exchange.

As enacted, PPACA included a mandatory requirement that States expand their Medicaid programs beginning on January 1, 2014. However, in 2012, the Supreme Court found the law’s mandate on States to be coercive and unconstitutional, leaving the Medicaid expansion as a State option. As of July 1, 2013, most States have opted not to expand their Medicaid programs in 2014, or they currently are debating such a decision.<sup>1</sup>

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<sup>1</sup> Kaiser Family Foundation. “Status of State Action on the Medicaid Expansion Decision, as of July 1, 2013.” Available online at <http://kff.org/medicaid/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

Other primary provisions of the law, such as the “employer mandate” (initially mandated to start January 1, 2014), were recently delayed for a year.<sup>2</sup> There is disagreement as to whether the Administration has the statutory authority to delay the mandate. Additionally, the delay of key reporting requirements associated with the employer mandate has caused added confusion regarding the integrity of income and employer-sponsored health coverage verification processes, which could result in inaccurate eligibility determinations for millions of Americans. On July 17, 2013, the House passed bills on a bipartisan basis that would delay the employer and individual mandates for one year.

Finally, studies and analyses from the Congressional Budget Office, independent actuaries, State insurance commissioners, health insurance plans, and health benefit consultants have estimated the projected impact of PPACA on health insurance premiums in the individual and small group market, as well as the price of coverage in PPACA exchanges.<sup>3</sup> Recent staff reports from the Committee outline the premium increases that Americans are projected to face because of PPACA, describe the provisions of the law driving the premium spike, and provide historical examples of how State laws similar to PPACA’s key provisions have impacted the cost of health coverage.<sup>4</sup>

Given that full implementation of PPACA is approximately two months away, this hearing will be an important opportunity for Members to hear from one of the Administration’s key officials who is leading implementation of the new law. This hearing will allow Members to gather more information on implementation, including: system readiness, eligibility verification processes, new taxes and penalties and other key information that could impact their constituents beginning October 1st and in 2014.

### III. STAFF CONTACTS

Should you have any questions regarding the hearing, please contact Karen Christian, Clay Alspach, Sean Hayes or Monica Popp at (202) 225-2927.

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<sup>2</sup> Mark J. Mazur, Continuing to Implement the ACA in a Careful, Thoughtful Manner, U.S. Department of the Treasury, [www.treasury.com/connect/blog](http://www.treasury.com/connect/blog) (last visited July 11, 2013).

<sup>3</sup> [\*Congressional Budget Office \(CBO\). An Analysis of Health Insurance Premiums Under the Patient Protection and Affordable Care Act. November 30, 2009.\*](#)

<sup>4</sup> The Looming Premium Rate Shock. May 13, 2013. Available online at: <http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/insurancepremiums/FinalReport.pdf>

The Price of Obamacare’s Broken Promises- Young Adults and Middle Class Families Set to Endure Higher Premiums and Unaffordable Coverage. Majority Staff Report. House Committee on Energy & Commerce. March 2013. Available online at <http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/20130305PremiumReport.pdf>