



THE COMMITTEE ON ENERGY AND COMMERCE

Memorandum

September 17, 2013

To: Members, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Subject: Hearing entitled “Two Weeks Until Enrollment: Questions for CCIIO”

On Thursday, September 19, 2013, at 10:00 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing examining the impending start of enrollment for the Patient Protection and Affordable Care Act (PPACA).

I. Witness

Mr. Gary Cohen
Director
Center for Consumer Information and Insurance Oversight
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services

II. Background

The Center for Consumer Information and Insurance Oversight (CCIIO) is the government agency responsible for the implementation of the provisions related to private health insurance in the PPACA. The Subcommittee on Oversight and Investigations has previously held hearings on the work of CCIIO on February 16 and April 1, 2011, March 21, 2012, and April 24, 2013.

CCIIO defines its current areas of emphasis as:¹

- Ensuring compliance with the new market rules in the PPACA.
- Helping States review insurance rate increases and overseeing new Medical Loss Ratio rules.

¹ Cciio.cms.gov/index.html.

- Providing oversight for the State health insurance exchanges and compiling data for healthcare.gov.
- Administering the Consumer Assistance Program, Pre-Existing Condition Insurance Plan, and Early Retiree Reinsurance Program.

CCIIO is responsible for a number of programs that have been created since the passage of the PPACA. Most notably, CCIIO was responsible for the program that administered waivers to the PPACA's prohibition on annual or lifetime limits in insurance plans.² These waivers were granted to prevent millions from facing either drastic premium increases or the loss of coverage as a result of PPACA. The Committee previously examined CCIIO's implementation and administration of two other programs: the Pre-Existing Condition Insurance Plan (PCIP) and the Early Retiree Reinsurance Program (ERRP). The Obama Administration suspended new PCIP enrollments effective February 16, 2013, due to concerns over financial constraints. Similarly, the ERRP, which was intended to last until 2014, also depleted its funding too rapidly and halted payments for claims incurred after December 31, 2011. Last month, CCIIO awarded \$67 million in grants to a variety of organizations to act as Navigators under the PPACA. These Navigators will provide assistance in enrolling individuals in qualified health plans, and the Committee has requested information from a sampling of these groups concerning how they will be utilizing taxpayer dollars.

CCIIO is the lead agency in the establishment of the health insurance marketplaces (Exchanges) that will begin enrollment in October 2013. To date, 18 States have been approved to operate their own Exchanges, and an additional 7 States are approved to operate an Exchange in partnership with the Department of Health and Human Services (HHS).³ At its hearing on April 18, Secretary Sebelius informed the Subcommittee on Health that the Exchanges will be ready this fall, but also noted that there is no contingency plan in place if that goal is not achieved.⁴ Meanwhile, while contractors responsible for building the exchange enrollment and verifications systems told the Subcommittee on Health last week that they were on time, an independent expert testified that the law could have a "rocky" start.⁵

Finally, CCIIO is responsible for the many other changes made by the PPACA to the private health insurance market, including coverage for young adults, grandfathered plans, the new requirements for Medical Loss Ratios, and the review of insurance rate increases.

III. Issues

The following issues will be examined at the hearing:

² <http://cciio.cms.gov/programs/marketreforms/annuallimit/index.html>.

³ <http://cciio.cms.gov/resources/factsheets/state-marketplaces.html>.

⁴ <http://energycommerce.house.gov/hearing/financial-review-department-health-and-human-services-and-its-fy-2014-budget>.

⁵ David Morgan, *Obamacare exchanges seen headed for 'rocky' enrollment state: expert*, Reuters, Sept. 10, 2013.

- Are there any issues or problems Congress should be aware of with enrollment set to begin in less than 2 weeks?
- Will the Exchanges, either those being operated by States, those run in partnership with HHS, or the Federal Exchanges, be fully operational by January 1, 2014?
- What has been the CCIIO experience in handling the numerous new requirements of the PPACA as the country readies itself for full implementation of the law in 2014?

IV. Staff Contacts

If you have any questions regarding the hearing, please contact Sean Hayes at (202) 225-2927.