



THE COMMITTEE ON ENERGY AND COMMERCE

Memorandum

July 29, 2014

To: Members, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Re: Hearing on “PPACA Implementation: Updates from CMS and GAO”

On Thursday, July 31, 2014, at 9:15 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing examining the implementation of the Patient Protection and Affordable Care Act (PPACA).

I. Witnesses

- Andy Slavitt, Principle Deputy Administrator, Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services; and
- William T. Woods, Director, Acquisition and Sourcing Management, Government Accountability Office.

II. Background

The Subcommittee on Oversight and Investigations last heard testimony from the Center for Consumer Information and Insurance Oversight (CCIIO) on the implementation of the PPACA in January 2014.¹ The Subcommittee traditionally has heard updates from administration officials on the implementation of the PPACA, in particular the law’s changes to the private insurance market. At past hearings, the Subcommittee has discussed the waivers granted to entities that could not comply with the PPACA’s prohibition on annual limits, the Pre-Existing Condition Insurance Plan, the Early Retiree Reinsurance Program, as well as the implementation of the health insurance exchanges and HealthCare.gov. At the January 2014 hearing, the Director of CCIIO informed the Subcommittee that the back end systems of HealthCare.gov had still not been built.

Earlier this summer, Andy Slavitt was hired as the Principle Deputy Administrator of the Centers for Medicare and Medicaid Services (CMS). Mr. Slavitt will appear on Thursday to provide the Subcommittee with an update on the work that is ongoing and what the Congress can expect in the coming months. News reports indicate that in his new role, Mr. Slavitt will have

¹ <http://energycommerce.house.gov/hearing/2014-seeking-ppaca-answers>

responsibilities that involve PPACA, Medicare, and Medicaid.² The next open enrollment period for purchasing a qualified health plan on the exchanges will be from November 15, 2014 until February 15, 2015.³ Considering the technical problems with HealthCare.gov that the Subcommittee has reviewed in the past, Mr. Slavitt will be able to provide an update on the website and whether the backend systems that will handle payment processes in the future will be ready for the next open enrollment period. The administration, earlier this year, announced that they were encountering significant problems with inconsistencies in the applications submitted via HealthCare.gov.⁴ The administration and a contractor have been working to resolve these problems.

The Government Accountability Office (GAO) also will testify on Thursday on their most recent review of CMS' implementation of the PPACA. Numerous congressional committees and offices asked GAO to review the processes and procedures that led to the bungled HealthCare.gov rollout. Tomorrow, GAO will release a report on their review of some of the contracts and task orders related to the development and launch of HealthCare.gov. GAO assessed CMS' oversight of the website and the actions taken by the administration to identify and address contractor performance issues.

There are numerous other areas unrelated to HealthCare.gov that CMS will be able to address during the hearing. With open enrollment approaching soon, consumers will be able to learn the premiums they will pay for plans offered in 2015. As insurers get ready for 2015, the administration also will be able to provide an update on the increase or decrease of competition in the exchanges. Last week, the administration also posted drafts of the forms employers will have to fill out to comply with the employer mandate, which may signal that it finally will begin to enforce the employer mandate in 2015.

III. Issues

The following issues will be examined at the hearing:

- Will HealthCare.gov be ready for the next open enrollment period?
- When will the backend systems for the Federally-Facilitated Exchange be completed?
- Has the administration fixed the inconsistencies that were contained in applications submitted via HealthCare.gov?
- What premium rates can consumers expect next year?
- What can the public expect when the employer mandate is finally enforced?

² Alex Wayne, *U.S. Hires UnitedHealth's Slavitt to Lead Obamacare Effort*, BLOOMBERG, Jun 20, 2014.

³ <https://www.healthcare.gov/glossary/open-enrollment-period/>

⁴ Amy Goldstein and Sandhya Somashekhar, *Federal health-care subsidies may be too high or too low for more than 1 million Americans*, WASHINGTON POST, May 16, 2014.

- What did GAO find during its review of the contracting process that led to HealthCare.gov?
- What does GAO recommend to prevent the problems that led to the failed launch of HealthCare.gov from recurring in the future?

IV. Staff Contacts

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