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6 SABOTAGE: THE TRUMP ADMINISTRATION'S ATTACK

7 ON HEALTH CARE

8 WEDNESDAY, OCTOBER 23, 2019

9 House of Representatives

10 Subcommittee on Oversight and Investigations

11 Committee on Energy and Commerce

12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 10:03 a.m., in

17 Room 2123 Rayburn House Office Building, Hon. Diana DeGette

18 [chairwoman of the subcommittee] presiding.

19 Members present: Representatives DeGette, Schakowsky,

20 Kennedy, Ruiz, Kuster, Castor, Tonko, Clarke, Pallone (ex

21 officio), Guthrie, Burgess, McKinley, Griffith, Brooks, Duncan,

22 and Walden (ex officio).

23 Also present: Representatives Blunt Rochester, McMorris

24 Rodgers, Bucshon, Carter, Gianforte, Cardenas, and Rush.

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25 Staff present: Kevin Barstow, Chief Oversight Counsel;
26 Jesseca Boyer, Professional Staff Member; Jeff Carroll, Staff
27 Director; Waverly Gordon, Deputy Chief Counsel; Tiffany
28 Guarascio, Deputy Staff Director; Saha Khaterzai, Professional
29 Staff Member; Chris Knauer, Oversight Staff Director; Kevin
30 McAloon, Professional Staff Member; Meghan Mullon, Staff
31 Assistant; Joe Orlando, Staff Assistant; Alivia Roberts, Press
32 Assistant; Tim Robinson, Chief Counsel; Benjamin Tabor, Policy
33 Analyst; Sydney Terry, Policy Coordinator; Rick Van Buren, Health
34 Counsel; C.J. Young, Press Secretary; Nolan Ahern, Minority
35 Professional Staff, Health; Jennifer Barblan, Minority Chief
36 Counsel, O&I; Margaret Tucker Fogarty, Minority Legislative
37 Clerk/Press Assistant; Caleb Graff, Minority Professional Staff
38 Member, Health; Brittany Havens, Minority Professional Staff,
39 O&I; Peter Kielty, Minority General Counsel; James Paluskiewicz,
40 Minority Chief Counsel, Health; and Natalie Sohn, Minority
41 Counsel, O&I.

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42 Ms. DeGette. The Subcommittee on Oversight and
43 Investigations hearing will now come to order. Today, the
44 subcommittee is holding a hearing entitled "Sabotage: The Trump
45 Administration's Attack on Health Care." The purpose of the
46 hearing is to examine the efforts of the Centers for Medicare
47 & Medicaid Services to ensure quality and affordable health care
48 for all Americans. The chair now recognizes herself for 5 minutes
49 for an opening statement.
50 It is no secret that Trump administration has worked to
51 sabotage health care in this country. On his very first day in
52 office, President Trump issued an executive order directing all
53 federal agencies to dismantle the Affordable Care Act, "to the
54 maximum extent by law." And ever since then, the Trump
55 administration has worked tirelessly to undermine the ACA and
56 other critical health programs at every turn.
57 In her role as the administrator of the Centers for Medicare
58 & Medicaid Services, Seema Verma has been behind many of this
59 administration's efforts to undermine the nation's health care.
60 Despite her role in this effort, today is the first time
61 Administrator Verma has appeared to testify in an oversight
62 hearing in the House, and we have many questions regarding the
63 administration's actions.
64 Since the Affordable Care Act was signed into law, more than
65 20 million people gained affordable, high quality health care

66 coverage. But now, under President Trump and Administrator
67 Verma, this administration is determined to take us in the wrong
68 direction. Last year, we saw the number of uninsured people in
69 this country increase for the first time since the ACA was passed.
70 About 1.9 million more people were uninsured last year compared
71 to the year before, including nearly half a million more children.
72 Further, the Kaiser Family Foundation estimates that health
73 insurance premiums are 16 percent higher this year than they would
74 have been if the Trump administration had not worked to undermine
75 the ACA.

76 We know the Trump administration has taken numerous steps
77 to sabotage the ACA. They are chipping away at critical
78 protections guaranteed by the law. They are allowing states to
79 increase consumers' costs, reduce their coverage, and undermine
80 protections for those with preexisting conditions. They are
81 promoting junk insurance plans that do not provide essential
82 health benefits and leave patients on the hook when they need
83 coverage the most. They are making it more difficult and more
84 expensive for individuals to find quality coverage on the health
85 insurance marketplace, and, to top it all off, they are rooting
86 for the ACA's collapse by declining to defend the law in the Texas
87 v. United States lawsuit.

88 We will likely hear today that Obamacare is the source of
89 all our problems. But while the nation's healthcare law may not

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90 be perfect, it is important to understand what would happen if
91 the Trump administration succeeded in dismantling the ACA
92 entirely. Twenty-one million people could lose their health
93 insurance.
94 Up to 133 million Americans with preexisting conditions
95 could be denied coverage or charged higher premiums. Those lucky
96 enough to keep their coverage if the ACA is dismantled could once
97 again face lifetime caps on coverage and could lose coverage for
98 things like prescription drugs and maternity care. Women could
99 once again be charged more than men for their health coverage,
100 and 60 million seniors and disabled Americans on Medicare will
101 have to pay more for preventive care and prescription drugs.
102 Yesterday, CMS announced that ACA premiums will drop by about
103 four percent this year. That is good news. However, let's just
104 think about how many more people would be covered now and how
105 much lower premiums could be if not for the repeated acts of
106 sabotage at the hands of this administration.
107 The ACA is succeeding despite the Trump administration's
108 efforts to tear it down. Time and time again, this
109 administration's actions on health care have gone squarely
110 against their duty to promote high-quality health care and the
111 well-being of children and families in need. Under this
112 administration, thousands of children and families have lost
113 coverage of basic health services and this administration's

114 actions have disproportionately hurt those with disabilities,
115 rural Americans, veterans, women, and young people of color.
116 The Trump administration and Administrator Verma, in
117 particular, have tried to make philosophical arguments for why
118 they are doing these things, but the numbers just don't lie.
119 At a time when we as a nation are facing a series of critical
120 health challenges like the opioid epidemic and unacceptably high
121 rates of maternal and infant mortality, it is unconscionable that
122 this administration is working to reverse the progress that we
123 have made.
124 Today, the administration will have to answer for its
125 unending sabotage of Americans' health care and Administrator
126 Verma will have to explain to the American public why she and
127 this administration are actively trying to take their health care
128 away.
129 And with that, the chair will recognize the ranking member
130 of the subcommittee, Mr. Guthrie, for 5 minutes for an opening
131 statement.
132 Mr. Guthrie. Thank you, Chair DeGette, for holding this
133 hearing with the Centers for Medicaid, and Medicare & Medicaid
134 Services today, and I would like to welcome Administrator Verma
135 to her first appearance before the Energy and Commerce Committee.
136 CMS oversees the two largest federal healthcare programs,
137 Medicare and Medicaid, as well as numerous other federal programs.

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138 CMS programs will impact over 145 million Americans in fiscal
139 year 2020, and a CMS budget of over one trillion represents more
140 than 25 percent of the entire federal budget. I share this
141 information about CMS not only to emphasize the critical role
142 that the agency plays in the nation's healthcare system, but how
143 to illustrate how we cannot possibly cover all of CMS's work in
144 a single hearing. And thank you, Administrator Verma, for your
145 commitment to promoting competition and innovation for Americans'
146 health care and for that work you have accomplished in your role
147 thus far. Just yesterday, I was pleased to see CMS announce that
148 premiums for mid-level Silver plans will decrease four percent
149 for 2020, a far cry from the double-digit premium increases we
150 have seen in past years.
151 I have also heard from my constituents on how CMS's Patients
152 over Paperwork initiative will help providers spend more time
153 focusing on the quality of care provided to patients rather than
154 the overly burdensome administrative tasks. I am also glad that
155 CMS is strengthening the agency's oversight of nursing homes in
156 recent months. Last Congress's subcommittee examined CMS's
157 oversight of the quality and safety of care in nursing homes after
158 numerous reports described instances of abuse, neglect in
159 standard care occurring in nursing homes across the country.
160 Another critical issue facing Americans that CMS has made
161 a top priority is the opioid epidemic. This committee has long

162 has been at the forefront of the fight to combat the opioid crisis.
163 Last Congress, our investigation and legislative work led to
164 the SUPPORT for Patients and Communities Act which was signed
165 into law 1 year ago tomorrow. While there is much to be done
166 both legislative and through investigations, the SUPPORT Act
167 included important provisions relating to CMS's role and
168 responsibility in helping to address the opioid epidemic.
169 Many of the initiatives I have just described share
170 bipartisan support, which is why the title for this hearing,
171 "Sabotage: The Trump Administration's Attack on Health Care,"
172 is over the top. I don't think anyone can reasonably categorize
173 CMS's effort to protect vulnerable populations in nursing homes
174 and assist states in fighting the opioid epidemic as sabotage.
175 Moreover, the Democrats are likely going to spend a lot of time
176 today criticizing CMS's recent actions relating to Medicaid
177 demonstration projects and Section 1332, State Innovation
178 Waivers. I find it disingenuous, however, to lay CMS's
179 commitment to strengthen its partnership with states and promote
180 innovation as sabotage.
181 I do, however, want to take some time to discuss areas where
182 I hope CMS will take additional action in the future. We are
183 at the beginning of flu season and it will potentially be one
184 of the worst flu seasons that we have experienced in recent years.
185 This subcommittee held a hearing in 2018 examining HHS's efforts

186 to respond to seasonal influenza and while CMS was not a witness
187 at the hearing, we did learn that FDA was working with CMS to
188 use Medicare data to compare the effectiveness of different types
189 of flu vaccines. I have some questions for CMS today about the
190 status of this work and I hope that we can hold another hearing
191 on seasonal flu preparedness as soon as possible.
192 I also have questions for CMS about the agency's efforts
193 to improve the interoperability of healthcare records while also
194 taking into consideration the sensitive nature of healthcare
195 data. We appreciate the work CMS has done to implement the 21st
196 Century Cures Act, but as I said in my letter to CMS with
197 Congressman Schrader this summer, I am concerned that a recent
198 proposed rule issued by CMS does not adequately protect consumers'
199 sensitive healthcare data. Thank you again for being here
200 today. I look forward to your testimony and I would like to yield
201 my time to the Congresswoman from Indiana, Mrs. Brooks.
202 Mrs. Brooks. Thank you, Ranking Member Guthrie. And
203 welcome, Administrator Verma.
204 Seema and her family are constituents of mine back home in
205 Indiana and we actually have been friends for a couple of decades.
206 We worked together in Mayor Stephen Goldsmith's office where
207 she was focused on health policy in the late '90s. That
208 innovation was recognized also by former Indiana Governor Mitch
209 Daniels who asked Seema to work with him in ensuring that health

210 care was working better for patients throughout Indiana.

211 She is the architect of the Healthy Indiana Plan which was

212 Indiana's popular bipartisan -- again, I repeat, it was a

213 bipartisan Medicaid program. Healthy Indiana Plan requires

214 individual responsibility through small member contributions

215 utilizing what are called POWER Accounts that function like

216 traditional HSAs, and the Healthy Indiana Plan incentivizes

217 preventive care to drive down costs and keep patients healthier.

218 We are very, very proud that Seema Verma stepped up at the

219 invitation of the President to take the innovation and her

220 incredible dedication to the health of Americans here in

221 Washington, D.C. We look forward to continuing working with you

222 to continue to improve health care for all Americans.

223 Thank you, I yield back. Mr. Guthrie. Thank you. And I

224 yield back.

225 Ms. DeGette. The gentleman yields back. The chair now

226 recognizes the chairman of the full committee, Mr. Pallone, for

227 5 minutes for purposes of an opening statement.

228 The Chairman. I want to thank the chairwoman. Today's

229 hearing continues this committee's ongoing work to bring

230 oversight and accountability to the Trump administration's

231 relentless attack on people's health care, whether it be attacks

232 on the Affordable Care Act, Medicare, or Medicaid. Since day

233 one, the Trump administration has engaged in a concerted effort

234 to undermine, weaken, and outright eliminate health insurance
235 coverage for tens of millions of Americans. I heard what
236 my colleague, the ranking member Guthrie said, that I guess he
237 doesn't think that this administration is sabotaging anything.
238 But, you know, the problem I have here is if someone is on the
239 right, ideologically, and says, look, the government shouldn't
240 be involved in health care, shouldn't get involved in health
241 insurance, people are on their own, if you said that then I would
242 say, okay, I understand. You know, you want to get rid of all
243 the health insurance, you want to get rid of all this, this is
244 not the government's role.

245 But the problem is I hear my colleagues on the other side,
246 including the President, suggest otherwise. That they want to
247 cover everyone. That they want to help people get health
248 insurance. Well, I don't see that at all. I think, if you look
249 at this practically and not ideologically, it is clear that fewer
250 people have health insurance, that their essential benefits are
251 being cut back, they are not being covered, so to suggest that
252 somehow they are not responsible for that I think is not true.
253 They are responsible. It is a concerted effort to cut back on
254 people's health insurance, their benefits, what kind of coverage
255 they have.

256 And our witness today is the Administrator for the Centers
257 for Medicare & Medicaid Services, CMS, Seema Verma, who is the

258 administration's point person on these actions. I think she has
259 a difficult record to defend. During her time as the
260 administrator, healthcare costs have gone up and health insurance
261 coverage has gone down. And thanks to the administration's
262 policies, the number of uninsured Americans increased by nearly
263 two million people from 2017 to 2018, rising to 27.5 million
264 uninsured.
265 And between December 2017 and this June, more than one
266 million children lost health coverage through either Medicaid
267 or the Children's Health Insurance Program, and these are, you
268 know, bipartisan programs. Why is this administration making
269 it more difficult for people to get coverage, and particularly
270 kids?
271 These are very disturbing trends and, unfortunately, they
272 could get even worse if CMS and the Trump administration are
273 successful in pushing their harmful policies. The Trump
274 administration is actively supporting a lawsuit that would
275 overturn the Affordable Care Act. This would strip health
276 insurance away from tens of millions of Americans and would allow
277 insurance companies to once again discriminate against people
278 with preexisting conditions.
279 The administration has expanded junk insurance plans that
280 are not required to cover essential health benefits like
281 hospitalization, prescription drugs, and emergency care

282 services. The Trump administration is also placing extremely
283 burdensome, in some cases illegal, hurdles in front of Medicaid
284 beneficiaries. These unnecessary roadblocks are certainly
285 causing pain for low-income families as more than one million
286 children lost health insurance coverage through either Medicaid
287 or CHIP between December '17 and June of this year.
288 These disturbing numbers show that the Trump
289 administration's policies to drive people off Medicaid, tie them
290 up in red tape, or scare them into not even applying for insurance
291 in the first place are working. And I am deeply concerned by
292 the Trump administration's ongoing attempts to impose illegal
293 work requirements waivers on Medicaid beneficiaries. These
294 requirements are not only cruel and costly, but they are a clear
295 violation of both Medicaid statute and longstanding congressional
296 intent.
297 And, fortunately, these illegal actions have been rightfully
298 defeated in the courts, but the Trump administration refuses to
299 give up. And the Trump administration is also not giving up in
300 its ongoing attempts to sabotage the health care of millions of
301 Americans through the ACA. In some instances, the proposals have
302 been so extreme that even Administrator Verma has raised the red
303 flag. In an internal memo dated August 2018, she wrote that
304 several administration proposals at the time would, and I am
305 quoting, "cause coverage losses, further premium increases, and

306 market disruption." And the memo concluded that 1.1 million
307 Americans could lose their coverage.
308 And I have repeatedly requested Ms. Verma provide the
309 underlying analysis discussed in that memo. If the Trump
310 administration is pursuing a policy that would have harmful
311 impacts on millions of Americans, Congress and the American people
312 have a right to know what exactly that analysis shows. To date,
313 I have received a one and one-half page response that answers
314 none of my questions.
315 So under Ms. Verma's leadership, CMS is following the rest
316 of the Trump administration in stonewalling legitimate
317 congressional oversight requests and I am appalled by the flimsy,
318 nonresponsive letters this committee has received back from CMS,
319 many times well past the deadline. As I wrote in a letter to
320 both Secretary Azar and Administrator Verma last week,
321 obstruction of the committee's legitimate exercise of its
322 oversight responsibilities is unacceptable and if continued may
323 necessitate the use of additional measures including compulsory
324 process.
325 So, Administrator, you cannot flout this committee's
326 constitutional duty to conduct oversight. I appreciate you being
327 here today. That certainly says a lot that you are here and I
328 don't want to take away from that, but the stonewalling of our
329 oversight requests have to end.

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330 And with that, Madam Chair, I will yield back. Ms.
331 DeGette. The chair now recognizes the ranking member of the full
332 committee, Mr. Walden, for 5 minutes for purposes of an opening
333 statement.
334 Mr. Walden. Well, good morning. Good morning, Madam Chair
335 and Chairman of the full committee.
336 Ms. Verma, thank you for being here. We really appreciate
337 it and we have enjoyed working with you over the years on many
338 of these issues and I am glad you are here. CMS as we
339 have talked about is the largest administrator of health benefit
340 programs in the United States. It is estimated in fiscal year
341 2020 over 145 million Americans will receive their benefits from
342 programs administered by CMS. So you have got a big job and we
343 appreciate the work you are doing. That includes Medicare,
344 Medicaid, and Children's Health Insurance Program, also known
345 as CHIP. And under Republican leadership and with the support
346 of this administration and, frankly, in opposition to votes on
347 the floor by Democrats, we not only extended CHIP for 5 years
348 and then 6 years, we did it for 10. We did it for 10 years, fully
349 locked in, Children's Health Insurance, and a lot of Democrats
350 have not -- all voted against this almost every step of the way
351 and especially on the House floor. And I don't want to get into
352 this partisan back-and-forth, I hadn't planned to today, but it
353 is just unfortunate because there are issues here that we need

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354 to focus on together.

355 And I think about the meetings I have had with the President,
356 with you and others. I have not seen a President who has leaned
357 in more to get drug prices down. Now we may have agreements and
358 disagreements to policy, but I wish you could have been here during
359 our markup when nearly every Democrat was holding up posters of
360 what President Trump had said about bringing down drug prices.
361 And while we may have some disagreements about the policy, they
362 were certainly the President's advocates last week when we were
363 dealing with drug costs.

364 In surprise medical billing, the Chairman and I are working
365 shoulder-to-shoulder with this administration, I believe, on a
366 way to protect consumers from surprise medical billing. Because
367 I tell you, what I run into out in my part of the world is people
368 are so concerned about the high cost of health care and in the
369 Affordable Care Act, and we have had our debates about what the
370 best policies are there, it did not deliver as promised to bring
371 down premiums 2,500 bucks. In fact, I can't find anybody in my
372 district that has seen that level of reduction in their premiums.

373 But what they have seen is an increase in deductibles and
374 copays, and insurance by name is not insurance in function if
375 the deductible and copays are so high you really can't afford
376 to access the care. And so, there are issues there in terms of
377 the Affordable Care Act and all, and there are things we, frankly,

378 as Republicans supported that became part of the Affordable Care
379 Act. Not the overall bill, but a lot of things contained in there,
380 including protecting people with preexisting conditions, letting
381 your kids stay on until they are 26, there is a whole host of
382 things.

383 And then we have done a lot of work together and it was
384 referenced earlier today about the SUPPORT Act. As chairman of
385 the committee, I helped steer that through the legislative process
386 here. We had an open session where Members of Congress could
387 come and make their case. Tomorrow marks the one-year
388 anniversary. I just left a meeting, bipartisan, in the Senate
389 with the First Lady and Secretary Azar. Well, we were celebrating
390 what we accomplished together as a Congress, and almost
391 unanimously as I recall, to address this horrible scourge of
392 opioids.

393 Now when it comes to first times, we are glad you are here,
394 the first time for the committee. The other first time would
395 be to have a hearing in this committee on Medicare for All. We
396 were talking about, my colleagues were talking about how the Trump
397 administration, their allegations, chipping away at ACA. I would
398 argue that their presidential candidates are taking a chainsaw
399 massacre approach to it, because they want to throw out the whole
400 thing and go with a government-run system that wipes out Medicare
401 and Medicaid, VA, all private health insurance, and they are

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402 having a fight over how to pay for it or whether to even talk
403 about how to pay for it. And so, working Americans are going
404 to lose their insurance under their plan, and I have asked for
405 a hearing before this committee since the first of this Congress
406 and we have yet to have one on their Medicare for All proposal.
407 So there is a lot of debate to be had here. There is also
408 areas we should be working together on and so we are glad you
409 are here. I am going to yield now to the ranking member of the
410 Health Subcommittee, Dr. Burgess. Mr. Burgess. I thank the
411 gentleman for yielding. I would like to do something I don't
412 normally do which is quote from the Washington Post. In the
413 Health 202 article yesterday by Paige Cunningham, it states,
414 "Obamacare premiums will become more affordable next year,
415 despite the dire predictions by Democrats that the Trump
416 administration would destroy the insurance marketplaces." She
417 goes on to say the improvements are striking, considering that
418 Democrats have spent the last few years blasting the Trump
419 administration for peeling away Obamacare regulations.
420 Quoting Alex Azar, "President Trump, the President who was
421 supposedly trying to sabotage the law has been running it better
422 than the guy who wrote it." Quoting President Trump himself,
423 "Once we got rid of the individual mandate and made it better
424 but Obamacare doesn't work -- but it works at least adequately
425 now and we had that choice to make. And politically it is probably

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426 not a good thing that I did, but it was the right thing to do

427 for a lot of people," he said in July. So I will just submit

428 this entire article for the record. I ask unanimous consent to

429 do so.

430 Ms. DeGette. Without objection.

431 [The information follows:]

432

433 **********COMMITTEE INSERT**********

434 Mr. Burgess. And we will carry on. I yield back. Thank
435 you. Ms. DeGette. The gentlemen yields back. The gentlemen
436 yields back. The chair now asks unanimous consent that members'
437 written opening statements will be made part of the record.
438 Without objection, they will be entered.
439 I would now like to introduce our witness for today's
440 hearing, honorable Seema Verma, Administrator, Centers for
441 Medicare & Medicaid Services, U.S. Department of Health and Human
442 Services.
443 Administrator Verma, thank you so much for coming today.
444 You are aware I know that the committee is holding an
445 investigative hearing and when doing so we have the practice of
446 taking testimony under oath. Do you have any objections to
447 testifying under oath?
448 Ms. Verma. I do not.
449 Ms. DeGette. Let the record reflect the witness responded
450 no. The chair then advises you under the rules of the House and
451 the rules of the committee you are entitled to be accompanied
452 by counsel. Do you desire be accompanied by counsel today?
453 Ms. Verma. I do not.
454 Ms. DeGette. Let the record reflect the witness has
455 responded no. If you would then, please rise and raise your right
456 hand so that you may be sworn in.
457 [Witness sworn.]

458 Ms. DeGette. You may be seated. Let the record reflect
459 the witness responded affirmatively. And you are now under oath
460 and subject to the penalties set forth in Title 18, Section 1001
461 of the U.S. Code.
462 The chair now recognizes the witness for a 5-minute summary
463 of her written statement. In front of you is a microphone and
464 a series of lights. The light turns yellow when you have a minute
465 left and it turns red to indicate your time has come to an end.
466 You are now recognized.

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467 TESTIMONY OF THE HONORABLE SEEMA VERMA, ADMINISTRATOR, CENTERS
468 FOR MEDICARE & MEDICAID SERVICES, U.S. DEPARTMENT OF HEALTH AND
469 HUMAN SERVICES

470

471 Ms. Verma. Thank you. Chair DeGette, Ranking Member
472 Guthrie, and members of the subcommittee, thank you for the
473 invitation to discuss efforts by the Centers for Medicare &
474 Medicaid Services to transform and improve the United States
475 healthcare system. When I came to CMS, our goal was to improve
476 quality, lower costs, and improve the healthcare experience not
477 only for the beneficiaries of our programs but for all Americans.

478 In 2017, this administration inherited a chaotic and
479 declining individual health insurance market. The relief
480 promised by proponents of the Affordable Care Act never
481 materialized. Quite the opposite. Premiums in states using the
482 federal exchange more than doubled from 2013 to 2017, the final
483 year the previous administration oversaw the program. Issuers
484 were fleeing the market and we were scrambling to prevent bare
485 counties.

486 But after just over 2-1/2 years as administrator, I am happy
487 to report that our market-based reforms have delivered lower
488 premiums on the exchanges for the first time since the law started.
489 Yesterday, we announced that for 2020 the average premium for
490 a benchmark Silver plan will drop by four percent in states using

491 the federal exchange platform. This is on top of the decreases
492 we saw last year.
493 In some cases, the decline in premiums is substantially
494 higher, with six states experiencing double-digit percent,
495 percentage decreases including a 20 percent drop in Delaware,
496 a 15 percent drop in North Dakota, and a 14 percent drop in
497 Oklahoma. On top of this, more issuers are entering the market
498 and the number of states with just a single monopoly issuer is
499 declining. Only two states will have a single issuer in 2020,
500 compared to five this year and ten last year. This is success.
501 Despite this progress, it was inevitable that Obamacare's
502 affordability crisis would eventually increase the number of
503 uninsured and that is exactly what the latest census data show.
504 The fact is, 85 percent of the 1.9 million newly uninsured in
505 2018 occurred among people with incomes higher than 300 percent
506 of the federal poverty level. These are people who do not qualify
507 for large ACA subsidies and represent a new class of uninsured,
508 those that can't afford Obamacare's premiums.
509 Our work to lower premiums hasn't stopped with the exchanges.
510 Under the President's leadership, we have strengthened Medicare,
511 seeing similar success in Medicare Advantage and Part D.
512 Medicare beneficiaries have more choices, with about 1,200 more
513 Medicare Advantage plans available in 2020 than in 2018. Average
514 monthly premiums in Medicare Advantage are the lowest they have

515 been in 13 years, and in Medicare Part D, the lowest they have
516 been in 7 years. Across the board in Medicare and the
517 exchanges, premiums are lower. All of our work at CMS focuses
518 on making health care more affordable and accessible to the
519 American people. We are using every lever and our large footprint
520 to tackle longstanding issues and problems in the healthcare
521 system. We are executing on our vision to transform care by
522 putting patients first and focusing sixteen strategic initiatives
523 grounded in empowering patients, promoting competition, and
524 unleashing innovation. CMS is committed to moving to a system
525 of competition and value and giving patients the choice and
526 control they want, the affordability they need, and the quality
527 they deserve.

528 While my written testimony provides more details, I will
529 highlight a few of our efforts on these initiatives. We are
530 empowering patients with the information they need to make
531 decisions about their health care. We have efforts underway
532 around price transparency, quality transparency, and ensuring
533 that beneficiaries' medical records can travel with them while
534 keeping the data private and secure.

535 We're addressing issues that drive up healthcare costs,
536 especially administrative costs. After becoming administrator
537 of CMS, one of my first actions was to launch the Patients over
538 Paperwork initiative. Across our programs we have made

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539 common-sense changes to our regulations and guidance. Just last
540 week, for example, we released a proposed rule to modernize and
541 clarify the regulations that interpret the Stark Law. Our new
542 policies will save providers an estimated 4.4 million hours a
543 year previously spent on paperwork, with savings projected to
544 be approximately eight billion dollars over the next 10 years.
545 We're also working to bring our programs into the 21st
546 century. Last year, the administration launched the eMedicare
547 and the MyHealthEData initiatives to modernize Medicare and meet
548 the growing needs of a number of tech-savvy beneficiaries. This
549 includes releasing two new cost calculator tools and the first
550 redesign of Medicare Plan Finder in a decade. And as part of
551 MyHealthEData Blue Button 2.0 is already giving Medicare
552 beneficiaries the ability to securely connect their claims data
553 to apps and other tools developed by innovators.
554 We have launched several historic efforts to improve quality
555 and safety in nursing homes and across the healthcare system to
556 improve rural health, to transform our program integrity efforts
557 and to foster innovation throughout the American healthcare
558 system, bringing new technology and breakthrough treatments to
559 our beneficiaries. And we're also focused on transforming the
560 Medicaid program around three pillars: flexibility, integrity,
561 and accountability. Our goal is to restore the federal-state
562 partnership in Medicaid and allow states to resume their role

563 as laboratories of innovation.

564 We are approving groundbreaking waivers and doing it at a

565 faster pace and we are holding states accountable for results

566 including through our new Medicaid scorecard. At CMS, we are

567 putting patients first --

568 Ms. DeGette. The gentlelady's time has expired, if you can

569 wrap up, please, Administrator.

570 Ms. Verma. At CMS, we are putting patients first as we move

571 forward with transforming the healthcare system and providing

572 all Americans with an access to a variety of affordable coverage

573 options.

574 Ms. DeGette. Thank you.

575 Ms. Verma. I greatly appreciate the opportunity today.

576 [The prepared statement of Ms. Verma follows:]

577

578 **********INSERT 1**********

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579 Ms. DeGette. It is now time for members to ask you questions
580 and I will recognize myself for 5 minutes.
581 Administrator Verma, as I stated in my opening and as you
582 mentioned in your statement, we saw the number of uninsured people
583 in this country increase last year for the first time since the
584 ACA was passed to about 1.9 million people; is that correct?
585 Ms. Verma. That is correct.
586 Ms. DeGette. And about half of those people were children;
587 is that right?
588 Ms. Verma. I don't think that number is correct, no.
589 Ms. DeGette. Okay. What is the correct number then?
590 Ms. Verma. I think the number's around 400,000.
591 Ms. DeGette. Four hundred thousand, thank you. Now, in
592 the Texas v. United States case, that is the case that the
593 administration has requested that the ACA be struck down; is that
594 correct?
595 Ms. Verma. That is correct.
596 Ms. DeGette. And so, any day now the court will rule and
597 if the court rules the way the administration has asked, then
598 the entire ACA will be invalidated; is that correct?
599 Ms. Verma. That is correct.
600 Ms. DeGette. Okay. So now, if the ACA was invalidated,
601 about 21 million people would lose their health insurance; is
602 that correct?

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603 Ms. Verma. I think what's clear --

604 Ms. DeGette. Yes or no will work.

605 Ms. Verma. No.

606 Ms. DeGette. No, okay. How many people would lose their

607 health insurance if the ACA was struck down, do you know?

608 Ms. Verma. The President has made clear that we will have

609 a plan in action to ensure that Americans have access.

610 Ms. DeGette. Okay. I am going to get to that in a minute.

611 But if the ACA was struck down, isn't it true 12 million people

612 would lose their insurance?

613 Ms. Verma. The President has made clear --

614 Ms. DeGette. No. Yes or no will work. Do you know how

615 many people would lose their insurance?

616 Ms. Verma. The President has made clear --

617 Ms. DeGette. Okay, you are not going to answer that. Now

618 let me ask you this. Let me ask you this. If the ACA was struck

619 down, then also the provision of the preexisting conditions would

620 be struck down since it is part of the ACA; is that right?

621 Ms. Verma. The President has made clear that we will do

622 everything we can to ensure that Americans with preexisting

623 conditions maintain the protection that they have today.

624 Ms. DeGette. Well, let me just say then, since you are not

625 answering my question, the ACA if it was struck down this is what

626 would happen. Twenty-one million people who are insured under

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627 the ACA would lose their insurance. That includes twelve million
628 people on Medicaid and nine million who have ACA protection.
629 There are currently 133 million people with preexisting
630 conditions who under the ACA get protections.

631 Now there is about -- I will ask you this. Maybe -- I am
632 sure you will give the same answer, but there is 2.3 million adult
633 children under the age of 26 who because of the ACA are able to
634 stay on their parents' insurance. Now I will ask you this. If
635 the ACA was struck down, would those 2.3 million adult children
636 still have their insurance?

637 Ms. Verma. The President has made clear --

638 Ms. DeGette. Okay.

639 Ms. Verma. -- that we will maintain what works and we will
640 try to address the problems that we're having with the ACA.

641 Ms. DeGette. So did the administration file some kind of
642 a motion in the Texas case to say that the preexisting conditions
643 should be maintained? Yes or no will work.

644 Ms. Verma. Individuals that have preexisting conditions
645 today --

646 Ms. DeGette. Yeah.

647 Ms. Verma. -- that do not receive a subsidy, I would argue
648 that they don't have the protections today. I mean if we give
649 you an example of the 55 --

650 Ms. DeGette. So you don't think the ACA is protecting people

651 with preexisting conditions?

652 Ms. Verma. If you can't afford your health insurance, if
653 you can't afford health insurance and you have a preexisting
654 condition, then you don't have protections.

655 Ms. DeGette. Okay. What about the adult children? Did
656 the Trump administration file a motion with the court to say they
657 should still be able to stay on their parents' insurance until
658 age 26? Yes or no.

659 Ms. Verma. The President has made clear that we will have
660 a plan in action to make sure that Americans have access to
661 affordable coverage. We do not have that today. There are many
662 Americans today if they are not getting a subsidy can't afford
663 health insurance today.

664 Ms. DeGette. I totally understand your position,
665 Administrator Verma. You are not answering my questions because,
666 frankly, if the ACA was struck down the preexisting, people with
667 preexisting conditions, the adult children, all of those
668 provisions of the ACA would be reversed. So you are telling me,
669 Administrator, that the Trump administration has told people they
670 will be protected. Can you produce for me right now the Trump
671 administration's plan to protect the people? Can you produce
672 that plan right now?

673 Ms. Verma. So today, a 55-year-old couple making $60,000
674 a year --

675 Ms. DeGette. No, no. That is not my question.

676 Ms. Verma. -- in Nebraska --

677 Ms. DeGette. My question -- excuse me. My question is do
678 you have a copy of the plan that will replace the ACA? Yes or
679 no.

680 Ms. Verma. I'm not going to get into any specifics of a
681 plan, but the --

682 Ms. DeGette. Okay, you are not going to answer the
683 questions. In that case, the chair will yield back and she will
684 recognize the ranking member for 5 minutes.

685 Mr. Guthrie. Thank you, Administrator. Do you want to
686 finish your comments you were just making?

687 Ms. Verma. Thank you. So a 55-year-old couple making
688 $66,000 a year in Grand Island, Nebraska could face an annual
689 premium of over $31,000 and that's on top of a $12,000 deductible.
690 In that same situation in Colorado, that premium would be
691 $32,800. In New Jersey, the premium would be almost 16,000.
692 So we're talking about people having to spend a third to a half
693 of their income on premiums and that doesn't even include the
694 deductibles.

695 And so, if those individuals or that couple have a
696 preexisting condition, they don't have any protections today.

697 Mr. Guthrie. So I was going to talk about the lowering
698 premiums, but you are lowering for minority very high premiums

699 that increased since the ACA was passed. So the lower -- but
700 you have made efforts and put into place the lowering. What
701 challenges remain to further lowering premiums?
702 Ms. Verma. Well, I think one of the things that we need
703 to do is focus on lowering the cost of care. There's been so
704 much discussion about throwing more money, having, you know, at
705 the problem, having more government control, but what we're
706 focused on is lowering the cost of health care. Many of the
707 initiatives that we have at CMS whether it's around drug pricing,
708 whether it's getting rid of administrative burdens that are
709 getting in the way of doctors spending time with their patients
710 and actually increasing costs, whether it's focusing on
711 efficiencies in the system like interoperability and making sure
712 that patients have access to their healthcare records, we are
713 trying to focus on actions that are going to lower the cost of
714 care for Americans. If we do that more people will be able to
715 afford health care.
716 Mr. Guthrie. Thanks. And I want to switch a little bit.
717 I have some Kentucky hospitals that have contacted me about the
718 star rating system before and their question is they understand
719 the purpose, but it doesn't adequately or reflect the quality
720 that they produce at their hospitals. So I know CMS decided to
721 change the hospital star rating methodology and so my question
722 is that some stakeholders requested CMS remove or suspend star

723 ratings from hospital compare website until the hospital star
724 rating methodology is updated, but what does CMS plan to use the
725 current methodology to update star ratings in early -- can you,
726 an estimate for the fix of this?

727 Ms. Verma. Sure, and I appreciate the question. So, first
728 of all, let's start with as we are focusing on lowering healthcare
729 costs. We think that price transparency is very important and
730 along with price transparency quality transparency is important
731 and that's what the hospital star ratings are all about.

732 I appreciate the comments and the concerns that hospitals
733 have raised about their methodology and we've made it clear that
734 we want to work with them so we can make sure that Americans have
735 access to quality information that's going to give them the best
736 understanding of what type of hospital and what kind of issues
737 that hospital may have, so we are dedicated to working with them.
738 In the meantime, though, we want to be able to use what we have
739 because we think it's important for patients to have that
740 information.

741 Mr. Guthrie. Thank you very much.

742 Ms. Verma. But we will work with them.

743 Mr. Guthrie. Thank you very much. And last week or the
744 week before last, I think last week we had a markup on a drug
745 pricing bill here. And then the big concern that I have had and
746 one of the great things that has been bipartisan was the Cures

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747 Act, the things that we moved here. And being in D.C., when I
748 talk to people back home that things are working and things are
749 moving forward, it is the blockbuster drugs that are coming out,
750 the blockbuster procedures. In the bill that was -- the CBO
751 estimated that ten to fifteen remedies or cures would not come
752 forward because of the impact of the bill.

753 And there were a couple of members on the other side, one
754 that said ten to fifteen would be something to, you would just
755 have to sacrifice for the fact of being able to negotiate lower
756 drug prices. One said that well, if we have these blockbuster
757 cures, we can't afford them, then what good are they, so
758 essentially they are not -- the bill is better than those cures.
759 And I just, my comment was, well, let's come up with the
760 blockbuster cures and figure out how to pay for them and not lose
761 them, because what if that one is Alzheimer's, diabetes, I mean
762 all the things that are out there.

763 So my question is I get to is one of the ways is value-based
764 arrangements and I know there are certain things such as Stark
765 Law and other things that kind of get in the way of trying to
766 do the value-based arrangements. Could you talk about
767 value-based arrangements and pay, value-based arrangements for
768 dealing with expensive cures?

769 Ms. Verma. Sure. Well, I appreciate the question and I
770 think we are seeing the advent of new high-cost drugs. We've

771 seen drugs priced at a half a million dollars, a million dollars,
772 two million dollars. I mean those are providing hope for so many
773 patients because these new medications can actually cure diseases
774 and can actually prevent some downstream costs for the healthcare
775 system over the long term, so they can actually reduce costs.

776 That being said, I don't think that our system is set up
777 to handle this. In the Part B program, we pay the average sales
778 price plus an add-on of right now it's about 4-1/2 percent with
779 a sequester. But it's an add-on payment, so if you think about
780 paying an average sales price of a million to two million dollars,
781 plus an add-on, I don't think the system can handle it. That
782 being said, we do need to think about value-based.

783 Ms. DeGette. The gentleman's time has expired. The chair
784 now recognizes the gentlelady from Illinois, Ms. Schakowsky, for
785 5 minutes.

786 Ms. Schakowsky. Thank you.

787 Administrator Verma, your testimony before us, you said that
788 "the individual market was in a state of crisis because of the
789 ACA." But in reality, it is you and the Trump administration
790 who have done everything you can to sabotage the ACA and reverse
791 the law's historic gains in health coverage. So let's go over
792 some of the record of the past 3 years, your record.

793 On his -- and the President's. On his first day in office,
794 the President signed an executive order directing federal

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795 agencies to undermine the ACA "to the maximum extent permitted
796 by law." Days later, CMS pulled the funding for outreach and
797 advertising for the final days of 2017 enrollment, and an action
798 estimated to have reduced enrollment by a half a million people.
799 You cut the number of days people could sign up for coverage
800 by half. You spent funds meant for promoting the enrollment on
801 a public relations campaign to undermine the law. HHS changed
802 its website, HealthCare.gov, making it more difficult for
803 consumers to obtain appropriate health coverage. For 2018 open
804 enrollment, you cut the outreach advertising budget by 90 percent
805 which resulted in as many as one million fewer people gaining
806 access to coverage.
807 You ordered the regional directors to stop participating
808 in open enrollment events. In 18 cities, including my hometown
809 of Chicago, you terminated contracts for in-person assistance
810 who guide applicants through the ACA enrollment process and was
811 designed to help them sign up for insurance, and those are now
812 gone. You slashed funding for nonprofit navigator groups that
813 help people shop for better coverage and you stopped making cost
814 sharing reduction payments to insurers even though CBO warned
815 that failure to make these payments would increase -- that would
816 increase premiums by 20 percent and add nearly $200 billion to
817 the national debt. And time and time again this
818 administration, including you and President Trump, himself, have

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819 used inflammatory rhetoric to spread falsehoods and
820 misinformation about the ACA. And though you have slashed
821 funding for ACA enrollment outreach, you have certainly pushed
822 taxpayer funds elsewhere. According to a press report, you
823 personally approved the awarding of millions of dollars of federal
824 contracts to Republican communications consultants who write your
825 speeches, polish your brand, and travel with you across the
826 country. This calls into question your stewardship of critical
827 CMA resources that could be put to good use to give people
828 coverage.
829 Administrator Verma, it is simply your tenure that has
830 focused on undermining the ACA. We received a report yesterday
831 that premiums will go down by four percent in 2020, but imagine
832 how much more money Americans could have saved if you were
833 uplifting the ACA and helping them to get coverage. President
834 Trump has said that his only plan is to "let Obamacare fail."
835 But you have gone further than that. You are actually sabotaging
836 the law. You have led the effort, Administrator Verma. And,
837 you know, you say -- we have heard for 10 years now, well, actually
838 since the passage of the ACA that Republicans wanted to repeal
839 and replace the law. Now you are telling us if there is a court
840 decision very soon that overturns the Affordable Care Act that
841 you have a plan. Where is the plan? Do you have a plan that
842 you can present to us or is this another pie in the sky promise

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843 --

844 Ms. DeGette. The gentlelady's time has expired.

845 Ms. Schakowsky. -- that we have heard for many years.

846 Ms. DeGette. The chair now recognizes the gentleman from
847 Texas, Mr. Burgess, for 5 minutes.

848 Mr. Burgess. I thank the chair for the recognition. Just
849 a point, here. For plan year 2017, navigators received $62.5
850 million in grants and enrolled 81,000 individuals. There was
851 a group of 17 navigators who enrolled less than 100 people, costing
852 the taxpayers $5,000 per enrollee. Contrast: agents and brokers
853 are able to enroll people at a much more cost-effective rate.
854 We have had this discussion many times before in this committee.

855 Ms. DeGette. Will the gentleman yield?

856 Mr. Burgess. No, I will not. You know my time is limited.
857 You have a quick gavel.

858 So, let me just ask you this. Which is the more
859 cost-effective way of enrolling people? Is it navigators or is
860 it agents and brokers?

861 Ms. Verma. I think the answer to that is agents and brokers.
862 What we have found with the navigator program is that when we
863 looked at the numbers, we found that the navigator programs
864 weren't meeting their goals. And that, in fact, despite the
865 spending they were actually enrolling less than one percent of
866 all the enrollments. And when we did the math, sometimes we were

867 spending $5,000, $7,000 per person for these navigator programs.

868 And so, we felt like there was a better way. If we looked
869 at the previous administration, they had doubled their
870 advertising budge, and even after they doubled the advertising
871 budget enrollment went down and so we sought for a more
872 cost-effective way. And all of our contracts at the agency are
873 focused on promoting the work of the agency and we focused on
874 finding new and cost-effective ways of enrolling people, like
875 digital ads and those have been proven to be effective.

876 Under our administration, premiums are lower. There are
877 more choices. We have a 90 percent satisfaction rate at our call
878 center for open enrollment which has not happened before. It
879 has only happened under our tenure. And because of the changes
880 that we've made, because we've had a more efficient program, we're
881 even actually able to use those savings to lower the user fees.
882 We did that last year and I hope to be able to do that again
883 in the future.

884 Mr. Burgess. That is an incredible figure about the call
885 centers. And when the implementation of the Affordable Care Act
886 came online in October of 2013, I did not take the special deal
887 that Members of Congress afforded themselves, I went through
888 HealthCare.gov and that phone interaction took 4 months to
889 actually accomplish and it was one of the most miserable
890 experiences I had ever been through in my life. So thank you

891 for improving the customer experience at that end. A lot of times
892 people don't care about the politics. They just need the
893 deliverable and it sounds like you are working hard on that.
894 Thank you for your commitment to Mr. Guthrie on -- we will
895 be working on the next version of the Cures bill at some point
896 over the coming months and, really, we do want to involve you
897 and your office, members of the agency, in some of these fantastic
898 gene therapies and self-therapies that are coming down the pike
899 where a single shot may cure some significantly costly disease.
900 And Mr. Guthrie is right. We have to have a way with value-based
901 purchasing or amortizing that cost over a longer period of time
902 and certainly look forward to your help as the committee develops
903 -- no good to develop the cure, if no one can afford to take it.
904 Let me just ask you a question, if I could, on prior
905 authorization. I get a lot of comments from my physician
906 colleagues about prior auth. What are you doing to make the prior
907 authorization, your Patients over Paperwork, how are you trying
908 to reduce the burden of prior auth?
909 Ms. Verma. Well, that's -- that is a issue that I hear a
910 lot about from providers on the front line. We did a national
911 listening tour and I will say that was one of the number one issues
912 that physicians are complaining about, with good cause. As part
913 of our Patients over Paperwork initiative, we've put out RFIs
914 and we've heard from both sides on this.

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915 I can tell you right now that I have a group of individuals
916 at the agency that's working on how we can figure out how to ensure
917 that we have the appropriate protections in place for program
918 integrity because that's necessary. We want to make sure that
919 evidence-based treatment is being provided to our beneficiaries,
920 but at the same time the process can be burdensome.
921 Mr. Burgess. Yeah.
922 Ms. Verma. And it can get in the way of providing good
923 patient care. It can create delays in care. So we're working
924 on it and you can expect to see some action this year on that.
925 Mr. Burgess. I appreciate that. Let me just try to get
926 one additional question. We have had a lot of discussion in this
927 subcommittee and Health Subcommittee both last Congress and this
928 Congress on the issue surrounding maternal mortality. Had a very
929 good hearing the other day with Dr. David Nelson, the residency
930 director at Parkland Hospital where I trained, in talking about
931 his experiences at Parkland. Are there any tools that CMS does
932 not currently have that would be helpful in addressing maternal
933 mortality?
934 Ms. Verma. Well, this is something that I started my career
935 on, working on the area of maternal and child health, so it's
936 a very important issue to me. We've had a conference on this
937 issue. Some of the things that we're working on is streamlining
938 eligibility, so as women are on Medicaid and then moving to the

939 exchanges that we can make that process work better.

940 Ms. DeGette. The gentleman's time has expired. The chair
941 now recognizes the chairman of the full committee, Mr. Pallone,
942 for 5 minutes.

943 The Chairman. Thank you, Madam Chair. And I just want to
944 pick up on the statement, you know, the questions you said about
945 the administration's decision to ask the courts to strike down
946 the ACA and the Republican lawsuit that is seeking to declare
947 the entire ACA invalid. Obviously, if the district court ruling
948 is upheld, Ms. Verma, you will be responsible for the largest
949 coverage loss in U.S. history, or at least the President would
950 be responsible for the largest coverage loss in U.S. history.
951 Over 20 million Americans would lose their coverage, raising
952 consumer costs and making lifesaving health care unaffordable
953 for American families. Now, again, you know, as I said in my
954 opening, if, you know, everybody on the right said, oh, that is
955 fine because we don't want the federal government to do anything
956 about people's health care, but that is not what I hear from the
957 Trump or my Republican colleagues. They say they want to provide
958 health insurance even though they are sabotaging everything.

959 So I wasn't here, but I want to know, does the President
960 have a plan and what is the plan? I mean it sounds almost like
961 there is some kind of secret plan that he doesn't want to reveal.
962 Could you just tell us? What is the President's plan? Some

963 information about his plan in the event that he is successful
964 in this awful lawsuit, what is the plan?
965 Ms. Verma. Well, I am not going to get into any specifics
966 of the plan, but what I will say is that the President's healthcare
967 agenda has been in action from day one. Our commitment to lower
968 the cost of health care --
969 The Chairman. No, but I am not asking about that. You know,
970 I disagree with you that he has had a plan so far other than to
971 sabotage the ACA. But what I am asking is, if the court strikes
972 down the ACA in this lawsuit, what happens then? What is he going
973 to do next? What is his plan to deal with the reality that all
974 these people wouldn't have health insurance?
975 Ms. Verma. We have planned for a number of different
976 scenarios, but we need to hear from the courts. The President
977 has made his commitment clear that he wants to make sure that
978 people with preexisting conditions have protections, that
979 Americans have access --
980 The Chairman. Well, I know. But you are not giving me any
981 details other than saying that he is going to give us something.
982 So, look. I think that the administration --
983 Ms. DeGette. Will the gentleman yield?
984 The Chairman. Sure.
985 Ms. DeGette. In the court, the administration asked for
986 the entire Affordable Care Act including --

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987 The Chairman. Right.

988 Ms. DeGette. -- the preexisting conditions and the kids
989 to 26 and the gender disparities and everything. They asked for
990 the entire thing to be struck down.

991 The Chairman. Right, right.

992 Ms. DeGette. They didn't ask for certain portions of the
993 ACA to be retained.

994 The Chairman. But you see, this is my problem. And I want
995 to move on to another topic, but my problem is, again, if the
996 administration -- if the President was honest and said, look,
997 I am just going to -- I want to get rid of the ACA. I don't have
998 anything else. I don't think people, you know, the federal
999 government should be involved in health care, you are on your
1000 own, then I would say, okay, that is your ideology. I don't agree
1001 with it, but I understand that is where you are coming from.
1002 I just think it is so deceptive though to suggest that somehow
1003 we are going to cover everybody and we are going to do something
1004 better, but not give us anything. And you are not giving us
1005 anything.

1006 But let me go back to my other issue with, that I mentioned
1007 before about not being responsive. In June I sent you and
1008 Secretary Azar letters requesting -- oh, I am going back to this
1009 memo.

1010 In April, you finalized a marketplace rule that changed the

1011 formula for ACA's subsidies despite your own objections to the
1012 policy, and I appreciate your objections. In fact, in an internal
1013 memorandum to Secretary Azar dated August 2018, you wrote that,
1014 I quote, "I recommend not moving forward with this policy and
1015 that such a policy would cause coverage losses, further premium
1016 increases, and market disruption." And you cautioned that if
1017 the policies under consideration are adopted, and I quote,
1018 "exchange enrollment would decline by 1.1 million," and you wrote
1019 that these actions could result, I quote, "potentially, in bare
1020 counties or states with no subsidized coverage available."
1021 My question is, do you still believe that this policy would
1022 likely result in families losing coverage?
1023 Ms. Verma. I think there are several policies in that memo.
1024 I am comfortable with the final rule and where we came out and
1025 I think that the evidence is clear that premiums are lower.
1026 The Chairman. All right.
1027 Ms. Verma. We have more choices available on the exchanges
1028 so the actions that we have taken have resulted in Americans having
1029 more choices about their health care --
1030 The Chairman. Well.
1031 Ms. Verma. -- and have lower premiums for the first time
1032 since the Affordable Care Act started.
1033 The Chairman. All right, I understand that. That -- in
1034 June I sent you and the Secretary letters requesting the

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1035 underlying analysis that is discussed in the memo and the analysis
1036 of the impact of those policies conducted by CMS Office of the
1037 Actuary, and last week I sent you and Secretary Azar a follow-up
1038 letter reiterating my request. I requested a complete response
1039 to my letter by October 30th, but so far, as I have said, I have
1040 received a one-and-a-half-page response that answers none of my
1041 questions, not a single document. Your response has been
1042 unacceptable and Congress and the American people have a right
1043 to know what exactly the analysis shows.
1044 So again, would you commit to providing those documents to
1045 my letter by October 30th?
1046 Ms. Verma. CMS is a subagency. We are under HHS and all
1047 of the documentation requests are handled by HHS and so I would
1048 refer your question to the agency.
1049 The Chairman. Well, I mean that is a really poor excuse.
1050 Ms. DeGette. The gentleman's time is expired.
1051 The Chairman. Thank you.
1052 Ms. DeGette. The chair now recognizes the gentleman from
1053 West Virginia, Mr. McKinley, for 5 minutes.
1054 Mr. McKinley. Thank you, Madam Chairman.
1055 Administrator, I think we virtually owe you an apology for
1056 the way you have been treated here. I have been -- I go home
1057 every weekend and I talk to the people. West Virginia, yes, is
1058 a red state. I was in Indiana the weekend before, a red state.

1059 But I was in Boston for a meeting up there and I heard the same
1060 thing from people on the street and we talked to the waitresses
1061 at how people, what is going on in Washington. And they talked
1062 about the tone, the accusatory language that is used, the lack
1063 of civility.

1064 And today I think it has hit a new point by this word
1065 "sabotage." Probably been, we are 42 times already today it has
1066 been used like someone found it in a new dictionary that they
1067 want to use to try to stir up things. People are appalled by
1068 this and they want us to work together and to accuse you and this
1069 administration the way they have, I apologize for that.

1070 Ms. Verma. Thank you.

1071 Mr. McKinley. Now, let me ask you a couple questions,
1072 however, and that is in West Virginia and Appalachia we are
1073 disseminated with the opioid crisis and we are trying to find
1074 ways of can there be something set up. So I am going to go away
1075 from what they want to -- their sandbox they want to play in.
1076 I want to -- what are ways that we can provide some additional
1077 funding or something for non-opioid rehabilitation treatment?
1078 Because we have got -- there are incentives all for using opioids,
1079 but what about some of the other non-opioids? Could you
1080 come back with -- when you all put together your rule there is
1081 nothing in there about that, the non-opioid treatment, and I
1082 really hope that we can do that. Can we work together,

1083 Administrator, on that?

1084 Ms. Verma. Sure. CMS has worked with state Medicaid
1085 programs. We've actually approved 26 state Medicaid 1115
1086 demonstrations which permit states to expand services for care
1087 for substance use disorder in institutions for mental disease
1088 and we have actually been working to implement all the sections
1089 of the SUPPORT Act that relate to CMS.

1090 In relation to your question, I will have Our Office of
1091 Legislation reach out to you and your staff to work on that.

1092 Mr. McKinley. If you could, I would like to follow up with
1093 that. And the other is, and it began, again I am not going to
1094 trash this administration and I am not going to trash the previous
1095 administration. We just have difference of opinions, but we can
1096 talk to each other. But what we asked under the Obama
1097 administration was where did the, for the rehabilitation, for
1098 the Medicaid, Medicare, 28 days, where did that come up with?
1099 And no one has ever gotten back to us on that with -- so, I am
1100 curious to you, do you have an opinion? Is -- and it is a trick
1101 question here, is 28 days enough for rehabilitation for someone
1102 deep in drugs?

1103 Ms. Verma. Well, I'd like to consult with our agency experts
1104 and I'll have our department of legislation reach back out to
1105 you.

1106 Mr. McKinley. Wouldn't you be suspicious? Because we have

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1107 had to deal with this pretty severely. We have 52 deaths per
1108 hundred thousand in West Virginia. We are leading the country
1109 on this. Every rehabilitation center I go to asks me that
1110 question, where did the 28 days come up from? And I have asked
1111 that back under the previous administration and I am asking it
1112 now under the -- can we consider at least maybe a pilot project
1113 that maybe goes for 120 days or 180 days to find out?
1114 Because the impression I am getting under both
1115 administrations is that we are looking for quantity of people
1116 getting treatment, not quality, and if we put someone in a
1117 treatment facility for 120 days, I think the outcome is going
1118 to be far better than 28 days. So I really hope that you can
1119 get back to me on another time; is that fair to say?
1120 Ms. Verma. That's fair to say, and we'll have our
1121 legislative folks reach out to you. But thank you for your
1122 question.
1123 Mr. McKinley. Thank you. And again, I apologize for the
1124 way you have been treated in this committee so far, okay. Thank
1125 you. I yield back my time.
1126 Ms. DeGette. The gentleman yields back. The chair now
1127 recognizes the gentleman from Massachusetts, Mr. Kennedy, for
1128 5 minutes.
1129 Mr. Kennedy. Madam Administrator, thank you for being here.
1130 In Arkansas, more than 18,000 Medicaid recipients lost coverage

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1131 after CMS approved a work requirement in that state, and in New
1132 Hampshire it was nearly 17,000. Both states, the evidence
1133 suggests that a large number of these people were either working
1134 or eligible for exemptions, but they lost coverage or would have
1135 lost coverage because of red tape. Now you might try to
1136 tell us that those people found jobs and employer-sponsored
1137 coverage, but a recent study from the New England Journal of
1138 Medicine found that Arkansas's work requirement increased
1139 uninsured rates without increasing employment. Madam
1140 Administrator, are you aware of that study?
1141 Ms. Verma. So, first of all, community engagement --
1142 Mr. Kennedy. Ma'am, yes or no. Are you aware of the study?
1143 I have 5 minutes.
1144 Ms. Verma. I'm sorry. Can you repeat the question?
1145 Mr. Kennedy. Are you aware of the New England Journal of
1146 Medicine study that says that people lost health care because
1147 of work requirements in Arizona, or excuse me, in Arkansas?
1148 Ms. Verma. I'm aware of the article.
1149 Mr. Kennedy. Okay. So in November of last year, MACPAC,
1150 a nonpartisan agency that makes recommendations on issues
1151 affecting Medicaid, said that low-level reporting in Arkansas
1152 was "a strong warning that the current process may not be
1153 structured in a way that provides individuals with an opportunity
1154 to succeed with high stakes with beneficiaries who fail." And

1155 they called on you to pause disenrollments in order to make
1156 adjustments to the program.
1157 CMS did not pause disenrollments. Instead, you approved
1158 the work requirements in additional states. Why did you approve
1159 work requirements in additional states and not respond to the
1160 concerns of MACPAC?
1161 Ms. Verma. Community engagement requirements are about
1162 improving the lives of people in the Medicaid program --
1163 Mr. Kennedy. Ma'am, can you point to me to one study that
1164 says that a work requirement makes people healthier? One?
1165 Ms. Verma. So I have worked with the Medicaid program for
1166 over 20 years --
1167 Mr. Kennedy. Ma'am, one. I asked Secretary Azar this
1168 question, first question last year. I am certain you were
1169 prepped.
1170 Ms. Verma. There are many studies that talk about how
1171 employment has a positive impact on health outcomes. There are
1172 numerous studies.
1173 Mr. Kennedy. Ma'am, excuse me. No, excuse me. That is
1174 -- once again, Secretary Azar, I asked this question to him 8
1175 months ago. He gave the exact same answer. You guys run
1176 healthcare programs in this country. I am certain you understand
1177 the difference between correlation and causation. Healthier
1178 people might work. Work doesn't necessarily make people

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1179 healthier. You are imposing policies on millions of people
1180 across this country. Can you show me one study that says that
1181 that is a good policy?
1182 Ms. Verma. I've spoken to many people on the Medicaid
1183 program --
1184 Mr. Kennedy. I will take that as a no.
1185 Ms. Verma. -- living in poverty and none of those
1186 individuals want to --
1187 Mr. Kennedy. Reclaiming my time, ma'am, so.
1188 Ms. Verma. -- stay where they are. They want to find a pathway
1189 out of poverty.
1190 Mr. Kennedy. I am sure they do. So let's talk about Adrian
1191 McGonigal who lost his Medicaid coverage in Arkansas because of
1192 the onerous work requirement that you approved. Without Medicaid
1193 his medication was going to cost him $800, so he did what anyone
1194 would do, he left it at the pharmacy, did his best to ignore
1195 preventable pain and suffering, he failed, the illness caused
1196 him to miss a few days of work and he got fired. Your work
1197 requirements caused him to lose a job and his health care.
1198 And again, do you consider that a success, yes or no?
1199 Ms. Verma. I think it's premature to draw conclusions about
1200 Arkansas. The program --
1201 Mr. Kennedy. Is it premature to draw the conclusion for
1202 Mr. McGonigal?

1203 Ms. Verma. The program was in effect for 10 months. What
1204 I will say about --
1205 Mr. Kennedy. Eighteen thousand people lost their health
1206 care. How many more people have to lose their health care before
1207 you can make a determination?
1208 Ms. Verma. Community engagement is about giving people a
1209 pathway out of poverty. People don't want to live in poverty.
1210 Mr. Kennedy. Show me the data that says that -- no one wants
1211 to live in poverty. Show me the data that this actually lifts
1212 people out of poverty. One study. One.
1213 Ms. Verma. Again, there are studies that show that when
1214 we're looking at the social determinants of health and we look
1215 at --
1216 Mr. Kennedy. Ma'am.
1217 Ms. Verma. -- improving somebody's health status --
1218 Mr. Kennedy. You are not going to spin me --
1219 Ms. Verma. -- just giving them insurance --
1220 Mr. Kennedy. You are not going to spin me for the 5 minutes.
1221 Ms. Verma. -- is not going to solve the problem.
1222 Mr. Kennedy. I'm going to reclaim my time, so.
1223 Ms. Verma. We need to address holistic issues.
1224 Mr. Kennedy. Ma'am, are you aware -- you talked about the
1225 financial aspects of trying to deliver health care in a fiscally
1226 responsible manner. Are you aware of how much Kentucky is

1227 planning on spending to implement its work requirements?

1228 Ms. Verma. I have recused from the Kentucky matter.

1229 Mr. Kennedy. I will answer it for you. It is $190 million

1230 over 2 years. Do you know what per capita annual expenditure

1231 on CHIP in Kentucky is?

1232 Ms. Verma. So states are making investments --

1233 Mr. Kennedy. Two thousand dollars.

1234 Ms. Verma. -- trying to improve the lives --

1235 Mr. Kennedy. Two thousand dollars.

1236 Ms. Verma. -- of the people they serve and those are

1237 one-time implementation costs.

1238 Mr. Kennedy. Ma'am.

1239 Ms. Verma. And that if --

1240 Mr. Kennedy. Reclaiming my time. Are you --

1241 Ms. Verma. -- that are spread over the costs of the --

1242 Mr. Kennedy. A contract that --

1243 Ms. Verma. -- that relate to the program.

1244 Mr. Kennedy. A contract that was made for your PR

1245 speechwriting and events services was referenced already earlier

1246 in this hearing. Are you aware that one of the line items was

1247 for a confidant of yours named Marcus Barlow who is scheduled

1248 to receive $425,000 over the life of that contract, 1 year?

1249 Ms. Verma. All of the contracts that we have at CMS are

1250 based on promoting the work of CMS.

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1251 Mr. Kennedy. So --

1252 Ms. Verma. When we use contractors we use them for two

1253 reasons. One reason would be when we require specialized

1254 expertise that we may not have in-house.

1255 Mr. Kennedy. Ma'am, specialized expertise to write

1256 speeches, are you aware that for that same cost 2,000 kids could

1257 have -- excuse me, 200 kids in CHIP, eligible for CHIP in Kentucky,

1258 could have kept their health care?

1259 Ms. Verma. The contracts that we have --

1260 Mr. Kennedy. What is a better use of those healthcare

1261 dollars, of U.S. taxpayer dollars, to employ an additional

1262 communications person underneath CMS that already has dozens,

1263 if not hundreds, or 200 more kids that could get access to health

1264 care? What is a better stewardship of those taxpayer dollars?

1265 Ms. Verma. The use of our contracts are to promote the

1266 programs that we have in place. We use contractors --

1267 Mr. Kennedy. At the expense of those 200 kids?

1268 Ms. Verma. Those contracts are consistent with what

1269 previous administrations have done.

1270 Mr. Kennedy. At the expense of those 200 children.

1271 Ms. Verma. Those contracts that we have in place are

1272 consistent with how the agency has used resources in the past

1273 and they're focused on promoting the work. One of the things

1274 that we want to do is make sure that people understand --

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1275 Ms. DeGette. The gentleman's time has expired.

1276 Mr. Kennedy. That is a shame.

1277 Ms. DeGette. The chair recognizes the gentleman from
1278 Virginia for 5 minutes.

1279 Mr. Griffith. Thank you very much.

1280 Did you wish to finish your answer?

1281 Ms. Verma. Yes. So what I was trying to say is that the
1282 contracts that we have in place are about promoting the work of
1283 the agency. One of the things that I wanted to do when we came
1284 to CMS is make sure that the American people understand the things
1285 that we're doing. We've had a historic number of initiatives,
1286 16 initiatives, and it's important that the American people
1287 understand that. We did not have that expertise in-house at the
1288 time.

1289 And the other thing that we use contractors are for is when
1290 we have something that we cannot do in-house, so that's one reason
1291 or we need some short-term help. My job at the agency is to set
1292 the vision and set the agenda and it's up to other staff members
1293 to determine whether that work can be done in-house or whether
1294 we need to hire contractors.

1295 Mr. Griffith. And in relationship to CHIP, wouldn't you
1296 agree that the Championing Healthy Kids Act was a major step
1297 forward?

1298 Ms. Verma. It absolutely was. I think it's very important

1299 that children have access to healthcare coverage, very important
1300 to their development.
1301 Mr. Griffith. And would you be surprised to learn that a
1302 number of members of this committee voted no, particularly those
1303 on the other side of the aisle?
1304 Ms. Verma. That would be very concerning.
1305 Mr. Griffith. I understand. Also, I find it interesting,
1306 just cleaning up some stuff here, that CBO estimates that 2.6
1307 million more people have employer-funded insurance today than
1308 before President Trump took office. Were you aware of that?
1309 Ms. Verma. Yes. I think that our agency's success and the
1310 success of the administration is clear. Premiums are lower not
1311 only in the exchanges but also in Medicare. There are more
1312 choices for people in Medicare and in the exchanges, more than
1313 what we had when we came into office.
1314 Mr. Griffith. Now, we have heard a lot today about sabotage,
1315 and my friend, the gentleman from West Virginia, Mr. McKinley,
1316 talked about the fact that sabotage has been used a lot. But
1317 I would have to say to my colleagues on the other side of the
1318 aisle that when you write a bill such as Obamacare and you put
1319 in there, 3,033 times the words "the Secretary" appears and 974
1320 times the words, "the Secretary shall" appear. And off the top
1321 of his head, Dr. Burgess indicated there were about 262 times
1322 that you if you kept going out, you know, "shall determine," "the

1323 Secretary shall determine," appear, roughly, and we will have
1324 to double check that one but that is off the top of his head.
1325 Wouldn't you think it would be unfair to say that the law
1326 had been sabotaged when the Congress -- now, remember, that was
1327 a bill passed, Obamacare passed specifically and only by
1328 Democrats, no Republicans in the House voted for it. So if it
1329 was sabotaged, it was sabotaged because they gave too much power
1330 to the administrative branch of government and today they find
1331 themselves with an administrative branch of government that has
1332 a different philosophical outlook and, therefore, if it were in
1333 fact sabotaged, it was sabotaged at its initiation in the passage
1334 of that bill. Would you agree with me on that?
1335 Ms. Verma. I would agree and the results speaks for
1336 themselves. Premiums are lower. When I got into my role,
1337 premiums were going up, a hundred percent in some cases, some
1338 two hundred percent in some cases. This is for the first time
1339 that we've actually seen premiums go down. They went down last
1340 year. They're going down again. We've put out over 12
1341 reinsurance waivers and in some cases you've seen double-digit
1342 decreases, 30 percent.
1343 So for all the work that we're doing, I don't know how we
1344 measure that but to me that looks like success.
1345 Mr. Griffith. Yes, ma'am. And now so let's get to
1346 something else I need to talk about. Earlier this year it came

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1347 to my attention that CMS planned to include noninvasive
1348 ventilators in Medicare's competitive acquisition program for
1349 durable medical equipment. In June, Mr. Welch and I led a letter
1350 signed by 180 of our colleagues expressing concern about that
1351 decision.

1352 I support the goal of ensuring financial responsibility in
1353 health care, but I am not convinced that this method is appropriate
1354 in every situation. Until we know that access to a critical piece
1355 of medical equipment won't be compromised, I don't think we should
1356 be making monumental changes to the acquisition process. And
1357 I just got your letter -- it arrived late yesterday afternoon
1358 -- in response to that letter where you said we are not going
1359 to do it on invasive.

1360 But here is the problem I have. I have a rural district
1361 as does my friend Mr. Welch. And what happens is, is that if
1362 you go to this cost-only issue, in those rural areas you are going
1363 to make somebody drive 45 minutes, an hour. I remember talking
1364 to one of my suppliers about a case where the lady lived on top
1365 of one of the two highest peaks in Virginia, and he took her oxygen
1366 up there to her and made sure that she had what she needed for
1367 her ventilator supplies, noninvasive. She is not coming down
1368 the mountain, particularly not in the wintertime, to get what
1369 she needs if now the low-cost supplier is only located in the
1370 town. And if it becomes a point where they have to get to Bristol,

1371 you are talking about even more time. But just to get down the
1372 mountain to Marion it is going to take a lot of time. So I would
1373 ask you all to really take a look at that because I am afraid
1374 that in the rural districts our folks are not going to get served.
1375 I yield back.

1376 Ms. DeGette. The gentleman's time has expired. The chair
1377 now recognizes the gentleman from California, Mr. Ruiz, for 5
1378 minutes.

1379 Mr. Ruiz. Thank you. This administration has made clear
1380 from day one that they will not protect people with preexisting
1381 conditions or protect access to affordable health care for
1382 Americans. They continue to repeal the ACA first through
1383 legislation and when that failed through the courts. And in lieu
1384 of complete repeal, they have done everything they can to chip
1385 away at the protections that it provides. Repealing the
1386 protections harms patients but helps insurance companies make
1387 greater profits. It gives them power to deny and delay care for
1388 people who really need it. And as a physician I took an oath
1389 to do no harm, and trying to take affordable coverage away from
1390 millions of Americans flies in the face of that oath. I practiced
1391 medicine before the passage of the Affordable Care Act and I saw
1392 what that meant for patients.

1393 So let me tell you a little bit about what that was like.
1394 In fact, even when I was in medical school, during my medical

1395 school graduation at Harvard Medical School, my whole family,
1396 I have a big family and they came from everywhere. And we were
1397 in my tiny little apartment and we were getting ready for my
1398 ceremony and my little sister curls over in excruciating abdominal
1399 and flank pain, excruciating, shaking. And we were so
1400 very concerned, but she refused to go to the Emergency Department.
1401 It wasn't necessarily because she was going to miss my
1402 graduation, she didn't want to be a burden to us for that, but
1403 primarily she didn't have health insurance and she couldn't afford
1404 it and she was so afraid, so she just endured it. And that is
1405 what families do throughout our country, they endure this pain.
1406 Well, she was 22. Now, she could have been on her parents' health
1407 insurance.
1408 The second story is like a man 55 years old from Palm Springs
1409 with HIV positive status. Before the Affordable Care Act,
1410 infections after infections, life-threatening, very concerned
1411 he wasn't going to live past, you know, 58 or something. And
1412 now because of the Medicaid expansion, he is happy. He is living
1413 well. He finally can get the care and the medications and
1414 everything that he can have and he is living that life that he
1415 has always wanted to.
1416 It is like that young mother of two who came into my Emergency
1417 Department with the chief symptom of "a lump in my breast." And
1418 I am thinking, a lump in your breast? Why are you coming during

1419 the holidays for a lump in your breast? She didn't have any
1420 primary care. She didn't have insurance. She knew it was
1421 growing, it was the size of a lemon. It was irregular in form,
1422 it was painless. Her sister forced her because they knew what
1423 they were afraid of. And, sure enough, it was most likely cancer.
1424 I was able to connect her with post-Emergency Department care.
1425 But because of the Affordable Care Act that preventive
1426 mammogram is now covered and that she couldn't afford it and now
1427 she potentially had cancer metastasized to her body. That is
1428 why we are angry. It is for those patients that we are standing
1429 up. It is for the American people who are today scared that we
1430 are going to go back to a time where they are going to be denied
1431 and delay, that they are going to endure pain, that they are going
1432 to potentially lose their life and leave their children behind,
1433 that they are going to suffer infections, and that is why are
1434 pressing you and this administrations for those questions.
1435 Because this administration is encouraging the Supreme Court
1436 to strike down the ACA in its entirety, all of it. There is no
1437 defense in court to protect people with preexisting condition.
1438 There is no defense in court for the young people to stay on
1439 their parents' health insurance. There is no defense of the
1440 Medicaid expansion. There is no defense of protections for
1441 preventive care that help my constituents, my patients, and my
1442 family.

1443 There is no defense for the American people in those
1444 protections for them. And to make matters worse, you have no
1445 plan. You can't produce a document. You can't give us a detail.
1446 You are skirting the issues and all we are getting is only spin
1447 and talking points. The American people deserve better. I yield
1448 back my time.

1449 Ms. DeGette. The gentleman yields back. The chair now
1450 recognizes the gentlelady from Indiana, Mrs. Brooks, for 5
1451 minutes.

1452 Mrs. Brooks. Thank you. And thank you, Administrator
1453 Verma, for being here today.

1454 Actually, the stories that you have heard from my colleagues,
1455 I assume that in your role for the last 3 years, you have mentioned
1456 that you have been having roundtable discussions. And that
1457 wasn't what I was originally going to ask you, and I do want to
1458 save a little time for what I want to talk about with you. But
1459 can you share very briefly how you do stay connected with the
1460 patients and the people you are trying to serve?

1461 Ms. Verma. Well, I appreciate that. We've done a national
1462 listening tour and we talk to people all over the nation.

1463 Mrs. Brooks. People who -- can you share who these people
1464 --

1465 Ms. Verma. People who are having trouble --

1466 Mrs. Brooks. Yeah, the type of people you talk to?

1467 Ms. Verma. -- affording Obamacare. And so, in the
1468 examples that were used previously, I'm scared for those people
1469 too, because if they don't have a subsidy they often cannot afford
1470 health insurance under Obamacare. Obamacare structure is so
1471 expensive that the middle class can't afford health insurance
1472 and that's why we're seeing increases in the number of uninsured
1473 because premiums have gone up a hundred percent, two hundred
1474 percent.

1475 And while this administration has stabilized the market,
1476 premiums are going down, they are still too expensive and if you
1477 do not have a subsidy and if you have a preexisting condition,
1478 you do not have protections today. And that's why this
1479 administration is trying to advance efforts to try to make sure
1480 that every American has access to affordable coverage. That is
1481 not the case today.

1482 Mrs. Brooks. Thank you. I want to pivot and focus on you
1483 talked about the role of technology and innovation in the
1484 healthcare system. Medical error is the third leading cause of
1485 death in the United States responsible for claiming over 400,000
1486 lives and millions of dollars are wasted on duplicative and
1487 unnecessary tests and procedures. We know that patients want
1488 their up-to-date medical information at their fingertips.

1489 Congresswoman Clarke, a colleague of mine across the aisle,
1490 and I introduced the Mobile Health Record Act and it directs CMS

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1491 to do more to promote the use of secure medical records approved
1492 by CMS through the Blue Button 2.0 program. The proposed CMS
1493 Interoperability and Patient Access rule is to be published before
1494 the end of the year requiring Medicare Advantage plans first and
1495 Medicaid plans next, to offer open APIs for their plan enrollees
1496 to access their medical data with their mobile application of
1497 choice.

1498 And you mentioned more and more patients are tech-savvy and
1499 want this type of access, but I am, remain concerned about the
1500 lack of public promotion or awareness of the CMS Blue Button
1501 program and its Medicare-approved apps for the 60 million Medicare
1502 beneficiaries. And, in fact, a recent survey showed that only
1503 three out of a hundred Medicare Advantage members are even
1504 familiar that the Blue Button 2.0 program exists.

1505 Knowing how important this is, what more can be done to reach
1506 new enrollees? It is very complicated to get through your
1507 websites and process to find the Blue Button and yet people want
1508 to have their medical records in their hands. So can you talk
1509 to us about what your plans are to improve access to our own medical
1510 records?

1511 Ms. Verma. I appreciate the question and I agree with you
1512 that we can do more to make sure that people understand what's
1513 available. The issue of patient records, and if you'll indulge
1514 me for a second, I'll tell you a story because I think it sort

1515 of sums up the issue of patient access.

1516 My family was traveling, they were headed home. I was headed

1517 back to D.C. when my husband had a cardiac event. He had a major

1518 seizure. My daughter called me and handed the phone to the

1519 paramedics and they said, ma'am, your husband's not breathing

1520 and we need to understand his health history. Is there anything

1521 in his health history?

1522 And at that moment --

1523 Mrs. Brooks. How long ago was this?

1524 Ms. Verma. This was about 2 years ago, in 2017. And so,

1525 at that time, you know, obviously I'm in a panic, but I did not

1526 have that information. My family didn't have that information

1527 and my husband was in no condition to tell us about his health

1528 history. And I scrambled for about 2 hours in the time that it

1529 took me to get to my kids and get to my husband to try to find

1530 this information.

1531 In the end, the hospital had to do a number of tests because

1532 they couldn't figure out what was wrong. Luckily, he's okay and

1533 he survived something that maybe less than one percent of people

1534 survive, so he was very lucky. But when I left the hospital,

1535 I asked the staff there, can I have a copy of all the tests that

1536 you performed, so I had a complete medical record to give back

1537 to his doctors in Indiana, and, unfortunately, all they could

1538 give me was a CD-ROM.

1539 So after our federal government spent $36 billion on
1540 electronic health records, all I got was a CD-ROM, which really
1541 only had a record of one test, and so that really spoke to me
1542 of the issues. Patients need to have access to their complete
1543 medical records so that we can understand the issues that we face.
1544 Mrs. Brooks. Can I interrupt? Are you going to dedicate
1545 more people to this and how are you going to fix this?
1546 Ms. Verma. This is one of our main priorities. We have
1547 several rules. One is about making sure insurers are providing
1548 claims data to patients. We are giving incentive payments to
1549 physicians to make sure that they're providing data to their
1550 patients. Hospitals are facing penalties.
1551 Ms. DeGette. The gentlelady's time has expired. The chair
1552 now recognizes the gentlelady from New Hampshire, Ms. Kuster,
1553 for 5 minutes.
1554 Ms. Kuster. Thank you. And thank you, Ms. Verma, for being
1555 with us today.
1556 A quick yes or no question before we start. I understand,
1557 yesterday, Secretary Azar said that the reason he is not concerned
1558 about the court decision ending the ACA overnight is that he is
1559 relying upon an appeal to the Supreme Court. Is that your
1560 position? Is that why you don't have a plan to tell us today?
1561 Ms. Verma. We have planned for a number of different
1562 scenarios.

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1563 Ms. Kuster. But are you expecting --

1564 Ms. Verma. I think what the Secretary is speaking to is
1565 that this is going to take some time for the courts to resolve,
1566 but we have planned for a variety of different scenarios.

1567 Ms. Kuster. Including an appeal to the Supreme Court?

1568 Ms. Verma. Correct.

1569 Ms. Kuster. So, because I am a little confused today by
1570 your testimony and particularly by the testimony of our
1571 colleagues. I have been in Congress for 7 years. I voted 55
1572 times not to repeal the Affordable Care Act because our colleagues
1573 were so persistent about week after week, month after month voting
1574 over and over again to repeal the Affordable Care Act in its
1575 entirety. And now this administration is in court asking to
1576 repeal the Affordable Care Act in its entirety. And yet, you
1577 sit here today singing the praises of the Affordable Care Act
1578 and how proud you are of your work to bring down the rates, but
1579 at the same time you are cutting access for 400,000 children.
1580 That was your testimony this morning.

1581 So I just want to move to a particularly important part for
1582 my constituents which is the issue of preexisting conditions.
1583 And you will recall that before the Affordable Care Act,
1584 Americans could be denied their health insurance coverage if they
1585 had any kind of a preexisting condition. I think about it in
1586 my family. I will just start at the beginning of the alphabet,

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1587 asthma, allergies, Alzheimer's, cancer, diabetes, the list goes
1588 on and on. And, in fact, over 50 percent of Americans have a
1589 deniable condition.

1590 In New Hampshire that is 54 percent of our citizens have
1591 a deniable condition, and yet your administration, in fact your
1592 own actions with the short-term limited duration health plans
1593 -- by the way, a classic Washington, D.C. doublespeak, short-term
1594 limited duration health plans -- have threatened families with
1595 preexisting conditions. And, in fact, you have encouraged states
1596 to promote junk plans through their waivers in order to circumvent
1597 essential health benefits and protections for preexisting
1598 conditions.

1599 I was very proud to lead bipartisan legislation. It passed
1600 the House, Protecting Americans with Pre-existing Conditions,
1601 last May, and it will ensure that people with preexisting
1602 conditions are covered. But let me ask you, do you believe, Ms.
1603 Verma, that allowing individuals to once again be discriminated
1604 against or have their coverage declined due to preexisting
1605 conditions is moving America in the right direction for their
1606 health care? Just yes or no.

1607 Ms. Verma. None of the actions that we have taken do
1608 anything to undermine the protections for people with preexisting
1609 conditions.

1610 Ms. Kuster. Well, encouraging junk plans that do not cover

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1611 Americans with preexisting -- we heard the testimony right here.
1612 We had families right in front of us and they had no idea. There
1613 was no requirement that they be warned of that and instead of
1614 3 months, these were a year and they could be re-upped multiple
1615 times. So I think your testimony is not actually truthful to
1616 us today and I regret that. According to a 2019 study by the
1617 Kaiser Family Foundation, half of Americans as I mentioned have
1618 a declinable condition. Did your agency conduct an analysis to
1619 evaluate the effects of the implementation of your guidance on
1620 these families and their access to affordable health insurance?
1621 Yes or no.
1622 Ms. Verma. I'm sorry. Which guidance are you referring
1623 to?
1624 Ms. Kuster. The guidance that you provided about the
1625 waivers and the junk health plans, did you analyze the impact
1626 on American families that had preexisting conditions? Yes or
1627 no.
1628 Ms. Verma. So in the issue of the 1332 guidance that we
1629 put out for states, I can tell you that states have had an
1630 enormously difficult time --
1631 Ms. Kuster. Just a quick question.
1632 Ms. Verma. -- experiencing the double-digit rate --
1633 Ms. Kuster. Did you --
1634 Ms. Verma. -- increases. And we wanted to --

1635 Ms. Kuster. -- analyze what would happen to families with
1636 preexisting conditions? Yes or no.
1637 Ms. Verma. The way the guidelines work is we give basically
1638 direction to states about how they can develop plans to make health
1639 insurance more --
1640 Ms. Kuster. I am asking if your office analyzed the impact
1641 of your guidance. Yes or no. This is not difficult.
1642 Ms. Verma. So we have to impact -- we would have to review
1643 the proposals. And so for every proposal --
1644 Ms. Kuster. And can you provide that to this committee,
1645 your analysis?
1646 Ms. Verma. Every proposal that comes in under 1332 is
1647 analyzed around the four guardrails around comprehensive
1648 coverage.
1649 Ms. Kuster. And could you provide that analysis to this
1650 committee? My time is up. Yes or no.
1651 Ms. Verma. So every single proposal that comes in --
1652 Ms. Kuster. Yes or no, you'll provide that analysis to this
1653 committee?
1654 Ms. DeGette. The gentlelady's time has expired.
1655 Ms. Kuster. My time is up.
1656 Ms. DeGette. The chair now recognizes the gentleman from
1657 South Carolina, Mr. Duncan, for 5 minutes.
1658 Mr. Duncan. Thank you, Madam Chairman.

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1659 Administrator Verma, I will let you finish answering her
1660 question if you need to.
1661 Ms. Verma. Sure. So let me start with short-term limited
1662 duration plans. These are plans that have been available before
1663 Obamacare started and during Obamacare. They used to just be
1664 available for 3 months and we extended the period of time. We
1665 also made sure and we strengthened these protections, which were
1666 not in place under the previous administration, to make sure that
1667 people understood what type of plan that they were buying and
1668 what the limitations were of these plans.
1669 But there are so many Americans today that cannot afford
1670 coverage under Obamacare when rates have gone up a hundred to
1671 two hundred percent, and I gave you some examples of a couple
1672 in Nebraska. They are 55 years old and the premiums that they
1673 would have to pay are anywhere between a third to half of their
1674 income. Short-term limited duration plans provide a lifeline.
1675 They can provide coverage at rates that are perhaps 60 percent
1676 lower than what they could find under Obamacare, so it provides
1677 an alternative.
1678 There's many people that are in between jobs that cannot
1679 afford Obamacare and this is an alternative. And our
1680 administration has done everything that we can to ensure that
1681 there are protections in place and that those plans clearly
1682 articulate the limitations of what they may or may not cover.

1683 Mr. Duncan. Yeah. Thank you for that. I apologize for
1684 how some of my colleagues have treated you today.
1685 Let me say I appreciate the multiple conversations we have
1686 had regarding some of the nursing home issues occurring across
1687 the Southeast Region. We have touched on topics including
1688 inconsistencies and civil monetary penalties, citations given
1689 among the regions, and how facilities in Region 4 have been
1690 especially hit. We have also touched on the important need for
1691 specific guidance to be provided for abuse reporting rules.
1692 Another thing I would appreciate you looking further into
1693 is the red consumer alert icon that could be placed next to nursing
1694 homes that have been cited for incidents of abuse and the Nursing
1695 Home Compare website. I understand this initiative goes into
1696 effect today. However, I feel CMS needs to fully solve the CMP
1697 and abuse reporting issues, first, before we go negatively
1698 labeling facilities online. If facilities in the Southeast
1699 Region don't get relief soon, we are going to be in a tight spot.
1700 So can you and your staff please comment or at least commit
1701 to revisiting the issue of consumer alert icon being implemented?
1702 Ms. Verma. Well, we've put out a five-part strategy on
1703 strengthening oversight, enhancing enforcement, increasing
1704 transparency, improving quality, and putting patients over
1705 paperwork. One of the things that we've done is we have clarified
1706 immediate jeopardy guidelines. And I agree with you that there

1707 has been inconsistency in how CMS and state agencies has
1708 implemented the guidance and so that's why we've created a new
1709 performance standard system so that we can monitor what's going
1710 on in the local level to ensure that we have consistency in how
1711 we are clarifying immediate jeopardy in cases of abuse and
1712 neglect.

1713 In terms of the icon, there's about maybe five percent of
1714 nursing homes that will be impacted by this and it only alerts
1715 those in which we've had cases of abuse and neglect. And, you
1716 know, if there's other types of issues that have come up, they're
1717 sort of, I would say, not high-level areas of abuse and neglect,
1718 in those areas we only use the icon if they have been repeat
1719 offenders.

1720 So this isn't really going to impact very many nursing homes.
1721 There are many nursing homes that provide high-quality care,
1722 but there are some out there and we think it's important to make
1723 sure that the American people have the information that they need
1724 to make the decisions that work best for them.

1725 Mr. Duncan. In the essence of time we will move on. We
1726 will be watching some of the reforms and how they impact the
1727 nursing home facilities.

1728 I want to touch base on one other thing and that is the
1729 exchange program integrity Section 1303 in the Affordable Care
1730 Act. We have asked, we talked yesterday about this. You say

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1731 that the ruling finalization is supposed to be in HHS's hands

1732 now. Open enrollment period begins November 1st and I think

1733 clarification on this is important. We sent a letter July 1,

1734 me and many, many of my colleagues signed this, asking for

1735 Secretary Azar to approve that.

1736 I want to submit that if we can, to the record, Madam Chair.

1737 And also want to urge my colleagues, I am going to send another

1738 letter today if you would like to sign on to that on the 1303

1739 urging fast implementation.

1740 Ms. DeGette. Without objection, the letter will be entered.

1741 [The information follows:]

1742

1743 **********COMMITTEE INSERT**********

1744 Mr. Duncan. I would also like to add a letter from some
1745 of the care providers that have urged us to take action as well,
1746 for the record.
1747 Ms. DeGette. We will review that letter. I haven't seen
1748 that letter.
1749 Mr. Duncan. Thank you. It is important that this rule get
1750 finalized, and it was proposed November of 2018. That is almost
1751 a year later and it still hasn't been. Can you speak to the work
1752 CMS has done to help finalize this rule and what the current status
1753 is? We know it is in Azar's hands, but if you would like to touch
1754 base on that in 10 seconds.
1755 Ms. Verma. We share your commitment to getting that rule
1756 finalized and we'll be doing everything that we can to bring that
1757 to fruition.
1758 Mr. Duncan. Okay. If any colleagues want to sign on to
1759 that letter to Secretary Azar today by close of business you can
1760 contact my office. I yield back.
1761 Ms. DeGette. The chair will admit the second letter that
1762 the gentleman referenced.
1763 [The information follows:]
1764
1765 **********COMMITTEE INSERT**********

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1766 Ms. DeGette. The chair now recognizes the gentlelady from
1767 Florida, Ms. Castor, for 5 minutes.
1768 Ms. Castor. Thank you, Madam Chair. And thank you,
1769 Administrator Verma, for being here today.
1770 The Trump administration has made numerous policy changes
1771 that increase the costs on families across this country, increase
1772 health insurance premiums, and erode coverage for preexisting
1773 conditions, preexisting conditions like cancer and diabetes.
1774 We had all hoped that this fight was over, but we are going to
1775 continue to have to work to make sure that families who have
1776 preexisting conditions get their coverage.
1777 You stated earlier in your testimony that the Trump
1778 administration policies have stabilized costs. There is no
1779 evidence of that. A recent study by the Kaiser Family Foundation
1780 estimates that 2019 premiums are 16 percent higher than they
1781 otherwise would be due to the Trump administration's actions.
1782 And a report out of your own agency has established that the
1783 various sabotage policies of the Affordable Care Act has increased
1784 costs on families who are not eligible for tax credits.
1785 And one of the most egregious policies that has increased
1786 costs is the expansion of the junk health insurance plans, the
1787 short-term limited duration plans, because what has happened,
1788 after the Trump administration and the GOP failed to repeal the
1789 Affordable Care Act and dramatically cut health services under

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1790 Medicaid, they turned to a very insidious plan to cut outreach
1791 and enrollment, weaken the health insurance pool by eliminating
1792 navigators, and then marketing, allowing these junk insurance
1793 plans to roll out, to the detriment of the families we represent.
1794 These junk insurance plans do not have to cover preexisting
1795 conditions. They don't have to cover hospital ER care or
1796 prescriptions drugs. They don't have to cover mental health
1797 services. And when Secretary Azar was here, Madam Administrator,
1798 we asked him, I asked him specifically, are you aware that these
1799 plans can exclude coverage for preexisting conditions or decline
1800 to offer coverage to individuals with preexisting conditions,
1801 yes or no? And he responded, "Yes, that's correct."
1802 Do you disagree with him that these junk insurance plans
1803 don't have to cover preexisting conditions, or you agree with
1804 Secretary Azar?
1805 Ms. Verma. Short-term limited duration plans provide more
1806 flexibility. And under our administration, premiums --
1807 Ms. Castor. Well, by flexibility are you saying, you agree
1808 then they don't have to cover preexisting conditions. That is
1809 -- see, this is very dangerous because we are about to enter into
1810 an open enrollment period, right, the open enrollment under the
1811 Affordable Care Act dates are -- what date?
1812 Ms. Verma. They start November 1st.
1813 Ms. Castor. And run through?

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1814 Ms. Verma. They go through December 15th.

1815 Ms. Castor. Okay, so be careful, consumers, families across
1816 the country. If you go online and you type in, I am looking,
1817 shopping for health insurance sometimes what will come up will
1818 be one of these junk insurance plans. The Federal Trade
1819 Commission has already had to act and shut down some of these
1820 fly-by-night health insurers calling it a bait-and-switch scheme.

1821 So when you are shopping for your health insurance, be
1822 careful. A lot of these companies are going to market a plan
1823 that says, oh yes, we will cover you. We will cover your
1824 preexisting condition, and then they find it is not covered.
1825 In fact, the nonpartisan Congressional Budget Office confirmed
1826 in a report that short-term plans have large coverage gaps that
1827 expose consumers to catastrophic costs especially for folks with
1828 preexisting conditions. For example, a woman who enrolled in
1829 a short-term plan and was then diagnosed with breast cancer could
1830 face between 41,000 and $111,000 in out-of-pocket costs. That
1831 is from the CBO and the American Cancer Society Action Network.

1832 Another one of the insidious sabotage efforts has been to
1833 our independent navigators across the country. And there is a
1834 lot of misinformation coming out that oh, navigators aren't
1835 effective. Well, if you go to the Kaiser Family Foundation report
1836 and the Government Accountability Office report from the past
1837 few months, they said, wow, HHS is pedaling false information.

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1838 These navigators are -- brokers are fine, but navigators do not
1839 have allegiance to an insurance company, they have an allegiance
1840 to the consumer, often help them sort through all of their
1841 affordable options. So it is really unwise to eliminate
1842 navigators on one hand, market junk plans, cut outreach and
1843 enrollment -- all of these things undermine a health insurance
1844 pool that helps keep costs down for families.
1845 Ms. DeGette. The gentlelady's time has expired.
1846 Ms. Castor. Thank you very much. I yield back my time.
1847 Ms. DeGette. The chair now recognizes the ranking member
1848 of the full committee, Mr. Walden from Oregon, for 5 minutes.
1849 Mr. Walden. Good morning, Madam Chair. And, Ms. Verma,
1850 thank you again for being here. We appreciate your leadership
1851 at the agency and your sitting through these discussions.
1852 I want to talk about the navigators, because in the CMS report
1853 that I believe is from 2016, which is before the Trump
1854 administration, for plan year 2017, navigators received $62.5
1855 million in federal grants, they enrolled 81,426 individuals,
1856 which, if I understand that right, equates to $767 per person
1857 is the math if you divide the total number enrolled versus the
1858 total amount spent. Now also, according to CMS from the Obama
1859 administration data, 17 navigators enrolled less than a hundred
1860 people each at an average cost of $5,000 per enrollee and 78
1861 percent of the navigators failed to achieve their enrollment

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1862 goals.

1863 So this is from the CMS information that is from 2016 for

1864 plan year 2017, and when did you become administrator?

1865 Ms. Verma. In March 2017.

1866 Mr. Walden. Yeah. So in 2017 then, CMS announced that it

1867 would start awarding funding to navigators based on their ability

1868 to meet their enrollment goals. That sounds like pretty standard

1869 business practice.

1870 Ms. Verma. That's right. We have a duty to taxpayers to

1871 make sure that our programs are cost effective.

1872 Mr. Walden. And so as a result, CMS reduced the funding

1873 for the program by ten million for 39 organizations in 2018.

1874 Why? Why did you do that?

1875 Ms. Verma. We did that because the navigator program was

1876 not producing the types of results that we would expect to see.

1877 My goal is to make sure that consumers using HealthCare.gov or

1878 our call centers have a very smooth experience and we felt like

1879 there were more different ways. When a program is new it does

1880 require a lot of intensive investment in terms of outreach and

1881 enrollment.

1882 Mr. Walden. Sure.

1883 Ms. Verma. But looking at the Affordable Care Act, it had

1884 been in place and we were looking, reviewing the types of

1885 investments that have been made. We had seen from the previous

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1886 administration that they had actually doubled their advertising
1887 budget to a hundred million dollars but actually enrollment went
1888 down, so we knew that those types of things weren't effective.
1889 And the same thing with the navigator program. When we did
1890 the math it just didn't add up when you are spending $5,000 per
1891 person. So what we tried to do is invest in more cost-effective
1892 ways, digital ads, more of those types of things, and I think
1893 our results have been effective. We had a 90 percent customer
1894 satisfaction rate for people that used our call centers.
1895 We haven't seen the dire predictions in terms of enrollment
1896 going down. We've had minor fluctuations, which I think can be
1897 attributable to the Trump economy where things are move -- are
1898 so good that people don't necessarily --
1899 Mr. Walden. Well, let me ask you that. And I am sorry to
1900 interrupt you, but on that very point, aren't -- how many more
1901 people are now covered by private insurance as a result of the
1902 strong economy?
1903 Ms. Verma. Well, because of the strong economy what we're
1904 seeing is that people aren't relying on public programs as much.
1905 We are seeing, however, some of the individuals though that
1906 aren't subsidized that they're having trouble affording health
1907 insurance and that the increase in the number of uninsured is
1908 actually for people that are 300 and 400 percent of the poverty
1909 level.

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1910 And so, what that shows us is that they can't afford health
1911 insurance premiums because of the way Obamacare is structured,
1912 and so people that are subsidized we're seeing their enrollment
1913 go up, but it's the unsubsidized population where we're seeing
1914 problems. We've seen a 40 percent decrease.
1915 Mr. Walden. So this is kind of the middle class --
1916 Ms. Verma. That's right.
1917 Mr. Walden. -- that is caught right there. Not getting
1918 subsidy, can't afford the health insurance they are stuck with,
1919 and you are trying to give options and have states involved.
1920 My state has come to you and gotten relief from certain federal
1921 requirements, right?
1922 Ms. Verma. That's correct. We've been doing reinsurance
1923 waivers and I think the short-term limited duration plans and
1924 association plans, those are efforts of the administration to
1925 give people alternatives because we know the middle class cannot
1926 afford expensive Obamacare. So we're trying to provide more
1927 choices and let the American people decide what benefit plan is
1928 going to work best for them, not a one-size-fits-all government
1929 approach which is expensive. We think Americans should make
1930 those decisions themselves.
1931 Mr. Walden. When we had a big debate on the floor on some
1932 healthcare issues, and a number of my friends on the other side
1933 of the aisle had amendments directing the navigators do a whole

1934 bunch of things -- reach out to rural areas -- and I raised the
1935 issue then and I think we followed up with a letter to you recently.
1936 That told me the system is broken with the navigators because
1937 they were having to have amendments directing the navigators to
1938 do all these different things. And so, is that system broken?
1939 Ms. Verma. Yeah. And I also think that, you know, we look
1940 at -- we do open enrollment for the Medicare program every year
1941 and what we do there is we use a system of volunteers to help
1942 individuals.
1943 Mr. Walden. Are their navigators paid from like Medicare
1944 Part D or Medicare?
1945 Ms. Verma. No. We use a system --
1946 Mr. Walden. All right.
1947 Ms. Verma. -- something we called our ship volunteers,
1948 and they do an incredible job of helping seniors through the open
1949 enrollment process. So I think there's better ways and more
1950 cost-effective ways.
1951 Mr. Walden. Thank you. My time has expired. Thank you,
1952 Madam Chair.
1953 Ms. DeGette. Thank you so much. The chair now recognizes
1954 the gentlelady from New York, Ms. Clarke, for 5 minutes.
1955 Ms. Clarke. I thank you, Madam Chair, and I thank our
1956 ranking member.
1957 Administrator Verma, Hubert Humphrey, he was the namesake

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1958 of the building that you work in, said, "The moral test of
1959 government is how the government treats those who are in the dawn
1960 of life, the children." This quote is even inscribed on the wall
1961 as you walk through the front door of HHS. On your watch it is
1962 safe to say that this administration has failed that moral test.
1963 This administration inherited historically low uninsured
1964 rates among children, but thanks to this administration's
1965 sabotage and mismanagement of health care those rates have gone
1966 up from 3.6 million uninsured in 2016 to 4.3 million uninsured
1967 children in 2018. You have said you want to preserve Medicaid
1968 for those who truly need it. Are low-income children among those
1969 who truly need Medicaid? This is a yes or no question.
1970 Ms. Verma. As a mom, I have two children. I think having
1971 health insurance for children is extremely important to their
1972 development.
1973 Ms. Clarke. Very well. So the New York Times has reported
1974 yesterday that since 2017 more than a million children have lost
1975 coverage in Medicaid and CHIP. Further, the Census Bureau
1976 reported that on your watch the children's uninsured rate
1977 increased to 5.5 percent, largely because of the deadline in
1978 coverage under Medicaid and CHIP. Administrator Verma,
1979 do you agree with the findings of your administration's own Census
1980 Bureau? Yes or no.
1981 Ms. Verma. There's a couple of -- there's two separate

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1982 issues here.

1983 Ms. Clarke. Yes or no. Yes or no. Do you agree? Have

1984 you --

1985 Ms. Verma. It's not a yes or no question.

1986 Ms. Clarke. It is a yes or no question. Either you agree

1987 with what the Census has presented to you or you don't.

1988 Ms. Verma. I believe that the Census data is accurate.

1989 Ms. Clarke. Do you agree with it? Yes -- it is accurate,

1990 so that is a yes. You have previously claimed that the children

1991 who lost Medicaid have transitioned into private coverage, but

1992 if that were true, we would see an increase in the enrollment

1993 in private coverage. However, your own Census Bureau says that

1994 that is not the case. That there has been no increase in the

1995 number of children covered under private insurance.

1996 Administrator Verma, can you explain why the rates of

1997 children enrolled in Medicaid CHIP are declining while private

1998 insurance coverage has remained flat?

1999 Ms. Verma. So if we look at the number of uninsured

2000 children, which I'm deeply concerned about, the biggest drop is

2001 for families that are earning above 400 percent of the poverty

2002 level. And so what's happening is, under the Trump economy, the

2003 economy is the best that we've had in 50 years, unemployment is

2004 down.

2005 Ms. Clarke. I don't want to hear your talking points.

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2006 Ms. Verma. There's less people living in poverty.

2007 Ms. Clarke. Reclaiming my time. The New York Times story
2008 talked about a little boy in Texas named Elijah whose family didn't
2009 know that he had been kicked off Medicaid until he was admitted
2010 to intensive care for a respiratory virus. Texas has the highest
2011 number of uninsured children in the country and conducts more
2012 frequent eligibility checks than any other state. Data shows
2013 that of the 50,000 children in Texas kicked off Medicaid, more
2014 than half regained their coverage within 12 months which means
2015 these children were dropped erroneously.

2016 In Tennessee, tens of thousands of children lost coverage
2017 because of late or incomplete paperwork. Until recently,
2018 Tennessee used an application that could be up to 47 pages long
2019 that one Medicaid expert called "daunting."

2020 Administrator Verma, we all agree that the program integrity
2021 is a critical part of any federal program, but would you agree
2022 that the program integrity requirement should not be weaponized
2023 to kick children off of Medicaid? That is a yes or no.

2024 Ms. Verma. I think it's important that children have
2025 coverage, first of all. In terms of program integrity,
2026 unfortunately, we're seeing that there are major problems in
2027 Medicaid eligibility. We're hearing cases all the time. I can
2028 tell you I saw data yesterday which is concerning.

2029 Ms. Clarke. I understand your concern. But you should be

2030 far more concerned about the decline or the increase in the numbers
2031 of children who are uninsured. You talked about being a parent
2032 and what you want for your children. What about low-income
2033 children across this nation? That is your responsibility. So
2034 you can say you want to preserve Medicaid for those who truly
2035 need it, but on your watch over a million children have lost
2036 Medicaid and CHIP coverage and the children's uninsured rate has
2037 reversed years of gains. The numbers don't lie and are clearly
2038 going in the wrong direction. You have failed the most vulnerable
2039 amongst us. You have failed the American people.
2040 With that, Madam Chair, I yield back.
2041 Ms. DeGette. The chair now recognizes the gentleman from
2042 New York, Mr. Tonko, for 5 minutes.
2043 Mr. Tonko. Thank you, Madam Chair.
2044 Administrator Verma, CMS has promoted and expanded the
2045 availability of short-term limited duration insurance plans that
2046 are not required to comply with the comprehensive consumer
2047 protections of the Affordable Care Act. These junk plans
2048 undermine protections for people with preexisting conditions,
2049 increase costs, and leave American families with less financial
2050 protection and more exposure to fraud.
2051 Now I want to follow up on Representative Castor's
2052 questioning. Administrator Verma, isn't it true that these plans
2053 are allowed to exclude coverage for preexisting conditions?

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2054 Ms. Verma. Short-term limited duration plans provide --

2055 Mr. Tonko. Yes or no. Yes or no.

2056 Ms. Verma. -- an alternative. There's a --

2057 Mr. Tonko. Yes or --

2058 Ms. Verma. It depends on the plan.

2059 Mr. Tonko. Yes or no.

2060 Ms. Verma. It depends on the plan.

2061 Mr. Tonko. Isn't it true that these plans are allowed to
2062 exclude coverage, are allowed to exclude coverage? Yes or no.

2063 Ms. Verma. Short-term limited duration plans have more
2064 flexibilities than --

2065 Mr. Tonko. I am asking for a yes or no. I have 5 minutes,
2066 so I want to get --

2067 Ms. Verma. It depends on the plan. There are different
2068 types of short-term limited duration plans.

2069 Mr. Tonko. I am asking if these plans are allowed to exclude
2070 coverage. That is a yes or no question.

2071 Ms. Verma. Short-term limited duration plans have the
2072 flexibility around benefit design.

2073 Mr. Tonko. So it is a yes.

2074 Ms. Verma. But it depends on how that plan is structured.

2075 Mr. Tonko. But they are allowed to exclude coverage?

2076 Ms. Verma. Not all of the plans will do that. It depends
2077 on the plan.

2078 Mr. Tonko. Are they allowed to?

2079 Ms. Verma. And what we have done is to ensure --

2080 Mr. Tonko. You are not answering the question, ma'am.

2081 Ms. Verma. -- that there are the appropriate protections
2082 in place for consumers so they understand the type of coverage
2083 they are buying.

2084 Mr. Tonko. Ma'am, I mean you are eating up the clock. I
2085 am asking if they are allowed to exclude coverage for preexisting
2086 conditions.

2087 Ms. Verma. They have flexibility around benefit design.

2088 Mr. Tonko. So that is -- I believe that is a yes answer.

2089 Administrator Verma, isn't it true also that people on these
2090 plans can be charged higher premiums without limit based on their
2091 health status, gender, age, and other factors? Yes or no.

2092 Ms. Verma. The CBO said that the short-term limited
2093 duration plans could be 60 percent lower than the Affordable Care
2094 Act plans.

2095 Mr. Tonko. Yes or no, can they be charged higher premiums
2096 without limit based on their health status, gender, age, and
2097 factors?

2098 Ms. Verma. They have the flexibility. They do not have
2099 to comply --

2100 Mr. Tonko. They have the flexibility so that is a yes.

2101 Ms. Verma. -- with the Obamacare plans.

2102 Mr. Tonko. Thank --

2103 Ms. Verma. But that's why they're priced lower.

2104 Mr. Tonko. I don't want to use any more time.

2105 In addition to excluding coverage of preexisting conditions,
2106 charging people more based on their health status, I am concerned
2107 by the failure of these plans to cover basic health care services.

2108 Administrator Verma, isn't it true that junk plans can refuse
2109 to cover essential health benefits like hospitalization,
2110 maternity care, prescription drugs, mental health care, and
2111 preventive care? Yes or no.

2112 Ms. Verma. You know, I was talking to a family the other
2113 day that they lost --

2114 Mr. Tonko. Well, yes or no. It is okay that you had that
2115 --

2116 Ms. Verma. -- their health insurance. They lost their
2117 job.

2118 Mr. Tonko. Ma'am. Ma'am, yes or no. It is my time.
2119 Is it true that these can refuse, these plans can refuse to cover
2120 those essential benefits?

2121 Ms. Verma. There's a variety of different plans that are
2122 offered under short-term limited duration and it depends on the
2123 plan.

2124 Mr. Tonko. You are not answering the question.

2125 Ms. Verma. It depends on the plan.

2126 Mr. Tonko. It depends on the plan, but can -- again, the
2127 question is can they refuse to cover essential health benefits
2128 like those I mentioned?
2129 Ms. Verma. They have flexibility on benefit design.
2130 Mr. Tonko. So that is a yes. They have flexibility. Even
2131 if some of these plans might cover some essential health benefits,
2132 I am concerned that what might happen should people get sick while
2133 they have a junk plan.
2134 Administrator Verma, isn't it true that these plans can
2135 impose lifetime and annual limits on coverage and are not subject
2136 to cost sharing limits?
2137 Ms. Verma. If there were more affordable options available
2138 under Obamacare, people wouldn't have to make compromises. But
2139 unfortunately, premiums have gone up --
2140 Mr. Tonko. I don't want -- don't filibuster on me.
2141 Ms. Verma. -- so much that there's no alternative.
2142 Mr. Tonko. Please. Please. I am asking for a yes or no.
2143 Isn't it true that these plans can impose lifetime and annual
2144 limits on coverage?
2145 Ms. Verma. Yes, they can.
2146 Mr. Tonko. Okay. Thank you for the yes. These plans seem
2147 to have very little utility if you need health care or don't want
2148 to be one sickness away from bankruptcy. That is exactly why
2149 the ACA was passed. It was to make sure that people had

2150 comprehensive coverage and were not one illness away from
2151 bankruptcy.
2152 So, Administrator Verma, I am curious. What are people with
2153 these junk plans supposed to do when they need vital healthcare
2154 services that are not covered by these junk plans?
2155 Ms. Verma. Well, what are they supposed to do when they
2156 have to spend half of their income on the Obamacare premiums and
2157 then another ten to twelve thousand dollars on the high
2158 deductibles? They have no alternative. And what our
2159 administration is trying to do is to provide more choices where
2160 there aren't any. And so when people are forced to pay half of
2161 their income or a third of their income on a premium plus a
2162 deductible, they can't afford health insurance and short-term
2163 limited duration plans may give them a different option. It's
2164 better than having no insurance at all.
2165 And in absence of no solution by Congress to address --
2166 Mr. Tonko. I am going to reclaim my time.
2167 Ms. Verma. -- unaffordable premiums, there is at least
2168 something for people.
2169 Mr. Tonko. Well, I believe that the statistics with one
2170 in three people being able to afford something with the subsidies
2171 that we provide are an encouraging statistic. And with that I
2172 yield back.
2173 Ms. Verma. And many people don't get subsidies.

2174 Mr. Tonko. And I would just ask that you put children first.
2175 And with that I yield back.
2176 Ms. DeGette. The gentleman's time has expired. The chair
2177 now recognizes the gentlelady from Washington State, Mrs.
2178 McMorris Rodgers, for 5 minutes.
2179 Mrs. McMorris Rodgers. Thank you, Madam Chair. I would
2180 like to begin just by giving the administrator a chance to answer
2181 anything that you didn't get to answer in the last questions since
2182 you were being cut off repeatedly.
2183 Ms. Verma. Thank you. I appreciate that. You know, first
2184 of all, Obamacare has become affordable -- unaffordable for so
2185 many families, for the middle class they can't afford the premiums
2186 and if they're not getting a subsidy, they have no alternative.
2187 Short-term limited duration plans provide an alternative. I
2188 was just talking to a family where, you know, the husband lost
2189 his job. They have two kids in high school. And they couldn't
2190 afford -- they couldn't afford premiums under Obamacare and so
2191 they looked at a short-term limited duration plan. It met their
2192 coverage needs. They reviewed the benefits and felt like it was
2193 going to work for their family and so they were able to buy this
2194 plan.
2195 You know, these plans can be 60 percent lower than what's
2196 on the exchanges and so it gave them an alternative. You know,
2197 they may not need it for a long period of time, but it's important

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2198 that we have alternatives. In absence of a solution, we're trying
2199 to do something for the American people for the middle-class
2200 Americans that can't afford Obamacare.

2201 Mrs. McMorris Rodgers. I want to say thank you. I want
2202 to say thank you for your leadership. I want to say thank you
2203 for your commitment to making sure that we keep the promise,
2204 especially to those on Medicare, our seniors that are depending
2205 upon Medicare, for those on Medicaid, some of the most vulnerable
2206 in our country. I just want to say thanks for the work that you
2207 are doing.

2208 I also applaud you for the work you are doing to ensure that
2209 we continue to lead the world in innovation and thinking of how
2210 we ensure that we have a healthcare system that is going to provide
2211 access and quality at an affordable price for everyone. And I
2212 think the flexibility is so important. I think that offering
2213 a variety of plans is so important to meet an individual's or
2214 a family's need, particular needs. Certainly, Medicare and
2215 Medicaid are critical safety nets and we must keep, fulfill the
2216 promise that we have made to those that are depending upon Medicare
2217 and Medicaid.

2218 I am committed also to making sure that those with
2219 preexisting conditions have the confidence and the certainty that
2220 they will always have quality, access to quality and affordable
2221 health care. I have a son with special needs with disabilities

2222 and I remember during the debate on Obamacare that I was concerned
2223 about the impact that it was going to have on those with
2224 disabilities within Medicaid. According to the Kaiser Family
2225 Foundation, they have reported that more than 450,000 individuals
2226 with developmental disabilities are on a waiting list today for
2227 Medicaid in this country -- 450,000 individuals with
2228 disabilities.

2229 When I was, during the debate when I was, when I said I am
2230 concerned about people with disabilities being put on a waiting
2231 list for Medicaid, I was laughed at. Today in Washington State,
2232 15,000 individuals with disabilities are on a waiting list. This
2233 is Washington State that expanded Medicaid to the furthest degree
2234 possible. We have hundreds of thousands of people with
2235 disabilities that are waiting for care. I co-chair the Rural
2236 Health Coalition. I have visited hospitals and healthcare
2237 facilities all throughout my district in Eastern Washington.
2238 It is heartbreaking when I hear from providers and hospitals that
2239 are having trouble keeping their doors open because of the low
2240 reimbursement rates and the high populations of Medicare and
2241 Medicaid.

2242 So Washington State is at the highest level, 130 percent
2243 of federal poverty level are covered under Medicaid. The income
2244 threshold is even higher for children at 210 percent of the federal
2245 poverty level. We need to make sure that we are protecting

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2246 current beneficiaries because they need to have that certainty.

2247 I wanted to ask you, could you just talk to me about CMS

2248 and what you are doing to track those that are on waiting lists

2249 and how do we ensure that the populations, some of the most

2250 vulnerable in our communities are actually getting the care that

2251 we have promised to them?

2252 Ms. Verma. Well, I share your commitment to the vulnerable

2253 populations in the Medicaid program. Many of these individuals

2254 have no place to turn and Medicare is a vital safety net that

2255 is so critical to improving their lives, the quality of care,

2256 and their day-to-day lives. One of the things that we're very

2257 concerned about is program integrity within the Medicaid program.

2258 We're seeing some alarming data that is showing that states

2259 aren't necessarily putting the right people on the program and

2260 that we have some high cases and problematic eligibility systems

2261 that are putting people on the program that don't belong.

2262 And so, we'll be taking action to make sure that we can ensure

2263 that the people on the program actually belong on the program,

2264 because if we don't do that we're failing taxpayers and people

2265 that deserve to be on the program.

2266 Ms. DeGette. The gentlelady's time has expired. The chair

2267 now recognizes the gentlelady from Delaware, Ms. Blunt Rochester,

2268 for 5 minutes.

2269 Ms. Blunt Rochester. Thank you, Madam Chairwoman.

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2270 And thank you, Administrator Verma, for joining us today.
2271 Today's hearing is critically important because CMS is tasked
2272 with overseeing the implementation of the Affordable Care Act,
2273 the landmark law that allowed thousands of Delawareans as well
2274 as millions of Americans to be protected and not be denied coverage
2275 based on a preexisting condition or removed from their parents'
2276 health plan at the age of 26, just to name a few. It is one of
2277 the significant reasons why I came to Congress was to protect
2278 this because I know it gave hope to so many people, particularly
2279 people with preexisting conditions.

2280 And, unfortunately, Delaware's enrollment in the exchanges
2281 began dropping in 2016. And that is not a surprise when you factor
2282 in the administration's decisions to number one, shorten
2283 significantly the enrollment period; number two, cut the
2284 navigator program by 84 percent causing many people to be confused
2285 and not have the help and support that they needed to navigate
2286 which a sometimes incredibly difficult system for anybody,
2287 private sector or public sector; and three, cut outreach funds
2288 by a whopping 90 percent for a program that doesn't have the
2289 longevity of a Medicare or the name recognition. With less time
2290 to apply and fewer resources to do it, you can understand why
2291 people believe that these actions are deliberate attempts to
2292 unilaterally repeal the ACA.

2293 Administrator Verma, after cutting the federal funding to

2294 facilitate enrollment in HealthCare.gov, you were quoted as
2295 saying, "This decision reflects CMS's commitment to put federal
2296 dollars for the federally-facilitated exchanges to their most
2297 cost-effective use in order to better support consumers through
2298 the enrollment process."

2299 I would like to focus on two parts of your statement. One,
2300 supporting consumers during the enrollment process and, secondly,
2301 the cost effectiveness. According to a former senior advisor
2302 at CMS, Joshua Peck, who previously oversaw the ACA marketing
2303 program, the outreach and marketing programs that have been
2304 dramatically scaled back were working and they were cost
2305 effective.

2306 I have been informed that there is data on how federal dollars
2307 should be effectively spent in order to reach Americans who need
2308 health insurance. Specifically, a July 2018 general Government
2309 Accountability Office report on HHS outreach and enrollment
2310 efforts in the individual marketplace cites an HHS study on the
2311 most effective forms of advertising for new and returning
2312 enrollees.

2313 In March, I along with 29 of my colleagues wrote from this
2314 committee, reached out to you to ask for this study because we
2315 wanted to really fully understand and get to the bottom of what
2316 ACA marketplace outreach strategies were actually working.
2317 After a follow-up, because I didn't receive a letter after that

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2318 one, we wrote another letter. I received a letter back which,

2319 unfortunately, did not give us a direct answer, you know, and

2320 I would like to submit -- I would ask unanimous consent to submit

2321 the three pieces of correspondence into the record.

2322 Ms. DeGette. Without objection, so ordered.

2323 [The information follows:]

2324

2325 **********COMMITTEE INSERT**********

2326 Ms. Blunt Rochester. Administrator Verma, my colleagues
2327 and I just wanted to understand how CMS can most effectively help
2328 our constituents enroll in ACA-compliant health coverage. And
2329 this one really is a yes or no question. Will you commit to
2330 releasing any and all documents, studies, relevant data created
2331 from 2014 onward related to marketing and outreach efforts for
2332 the Affordable Care Act so that we on the committee and
2333 particularly in our oversight role can have the information and
2334 understand that rationale? Yes or no.

2335 Ms. Verma. All document requests are handled by Health and
2336 Human Services and so I would refer your request to the Department.

2337 Ms. Blunt Rochester. So the letter that we originally sent
2338 was actually sent to the Department. And it would be great to
2339 also have your commitment, I mean, I am assuming you had to have
2340 made the decision so therefore you either had information or you
2341 didn't. You, I mean you made the decision so it would be really
2342 great to have that information so that we could make these
2343 decisions.

2344 Again, would you support the turning over of that
2345 information?

2346 Ms. Verma. All document requests are handled by the
2347 Department of Health and Human Services and I would refer your
2348 request to them.

2349 Ms. Blunt Rochester. So I have 10 seconds left and in my

2350 10 seconds I am going to just say, for many years I got to serve
2351 in public service just like you, Deputy Secretary of Health and
2352 Social Services, State Personnel Director. It is important that
2353 people have confidence and faith in these institutions and the
2354 way we answer questions exhibits that confidence and faith.
2355 Just answer the questions. Just work with us, because we
2356 all want to see people have health care.
2357 Ms. DeGette. The gentlelady's time has expired.
2358 Ms. Verma. And if I have the time -- I would happy to answer
2359 your questions.
2360 Ms. DeGette. The chair now recognizes the gentleman from
2361 Indiana, Mr. Bucshon, for 5 minutes.
2362 Mr. Bucshon. First of all, thank you, Administrator Verma,
2363 for being here today and thank you for the great work that you
2364 are doing at CMS, a difficult agency to lead as I would imagine.
2365 First off, I want to thank you for your recent proposal to
2366 reform Stark Law. As a long-term advocate for reforming the Stark
2367 Law, I am pleased that CMS has proposed real reform to the law.
2368 The Stark Law is a dated regulatory structure designed for a
2369 fee-for-service payment model that has inhibited the value-based
2370 care and coordinated care arrangements that many physicians are
2371 eager to take advantage of in order to provide better and more
2372 efficient care for their patients. As we rapidly move to a
2373 value-based care payment models, your proposal to modernize Stark

2374 Law will remove legal barriers that currently prevent physicians
2375 from entering into coordinated care and innovative payment
2376 models, which I believe can lead to better outcomes for patients
2377 and keep costs down.

2378 So I would like to bring up the DME fee-setting provisions
2379 of the proposed rule by CMS that was proposed in July, and there
2380 are some concerns as you know that the proposed rule will place
2381 authority in the hands of CMS staff to set Medicare rates for
2382 medical devices in ways that number one, will expand disparities
2383 between private payor and Medicare reimbursement and, number two,
2384 inhibit the availability of innovative medical devices for
2385 Medicare beneficiaries.

2386 In particular, do you think that a developer of a
2387 breakthrough medical device with fairly robust sales in a
2388 non-Medicare market could review the regulations and then
2389 calculate with reasonable certainty the fee that would might be
2390 set by Medicare?

2391 Ms. Verma. You know, one of the things that we're trying
2392 to do around innovation is provide more transparency for
2393 innovations so people understand what they're going to face in
2394 terms of coverage decisions, coding decisions, and also
2395 reimbursements. So we have tried to -- we've actually proposed
2396 some regulations that would give more flexibility so that we can
2397 look at the private market and bring in what they may expect to

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2398 be reimbursed in the private market as part of our decision making.

2399 Mr. Bucshon. Thank you. I very much appreciate that. And

2400 so, do you think that in this space that the Medicare fee will

2401 be roughly equivalent to the non-Medicare price?

2402 Ms. Verma. It depends on the particular product. Our goal

2403 with durable medical equipment is to make sure that our

2404 beneficiaries have access to the equipment that they need and

2405 make sure that we have a competitive environment.

2406 Mr. Bucshon. Thank you very much. So I appreciate your

2407 consideration on these issues as you work towards finalizing that

2408 rule.

2409 Another one is a little bit in the weeds but is important.

2410 It is the issue as it relates to Medicare beneficiaries who are

2411 on Coumadin therapy for atrial fibrillation and other medical

2412 problems that require anticoagulation, for example, a heart valve

2413 replacement. As you know, weekly blood tests are required to

2414 keep these patients in the safe treatment range.

2415 And the concern here is, is that this year's proposed

2416 physician payment rule includes a 20 percent reduction in INR,

2417 the International Normalized Ratio, which is a test of

2418 anticoagulation. That is being reduced for 20 percent and is

2419 being reduced for the third year in a row. And so, I would like

2420 to ask if we could hit the pause button and really reconsider

2421 that. Freezing the reimbursement paired with work over the next

2422 year to figure out what is a sustainable path forward will help
2423 ensure that these vulnerable Medicare beneficiaries can receive
2424 the care they need. So I hope that we can take a look at that
2425 and revisit that.

2426 And then, finally, I wanted to thank you for your letter
2427 that your office sent in response to the bipartisan letter that
2428 I sent on September 27th with 24 of my colleagues regarding the
2429 CY20 Physician Fee Schedule proposed rule. My colleagues and
2430 I have concerns with the agency's proposal not to apply a payment
2431 adjustment to the evaluation and management or E&M code component
2432 of global surgical codes even though the agency is proposing to
2433 update the E&M code values for standalone office visits. And
2434 as the agency works to finalize the rule, I appreciate your ongoing
2435 input and collaboration on that issue.

2436 I have 48 seconds left. Do you have anything else that you
2437 feel like you haven't been able to say during the hearing that
2438 you might want to tell the American people about your work?

2439 Ms. Verma. Well, I would appreciate the opportunity to be
2440 able to answer some of the questions that have been posed before,
2441 but we haven't had time. One of the things that I do want to
2442 talk about are the numbers on, the number of people on Medicaid
2443 and the declines there as well as what we're seeing on the
2444 uninsured. When we look at the Medicaid program it is natural
2445 to see fluctuations in enrollment. As the economy does better

2446 we can expect to see lower enrollment. We've seen that in the
2447 Clinton administration. There's an urban study report on this
2448 as well.
2449 And so, because we are in a booming Trump economy with the
2450 lower unemployment, less people on poverty, we are going to see
2451 that impact in the Medicaid program. That being said, our
2452 administration is committed to addressing children and making
2453 sure all kids have access to coverage.
2454 Mr. Bucshon. Thank you very much and I will be submitting
2455 some other questions for the record. I yield back.
2456 Ms. DeGette. The chair now recognizes the gentleman from
2457 California, Mr. Cardenas, for 5 minutes.
2458 Mr. Cardenas. Thank you very much, Madam Chairwoman. I
2459 appreciate this opportunity to have an open and public discussion
2460 about such an important program to millions and millions of
2461 Americans.
2462 One of the fundamental gains under the Affordable Care Act
2463 was the historic increase in coverage thanks to Medicaid
2464 expansion. Approximately 12 million people gained coverage for
2465 essential healthcare services thanks to this expansion and it
2466 continues to be one of the most important payors for health care
2467 in this country. Studies have made clear that Medicaid expansion
2468 has greatly benefited Americans who gained coverage.
2469 Researchers from the Census Bureau, NIH, UCLA, and the

2470 University of Michigan recently found, and I quote, "Medicaid
2471 expansions substantially reduced mortality rates among those who
2472 stood to benefit the most." They estimated that due the state's
2473 Medicaid expansion in states that there were 19,000 fewer American
2474 deaths in the first 4 years alone. And the failure of other states
2475 to not expand Medicaid resulted in an estimated over 15,000
2476 additional American deaths over the same period.
2477 Administrator Verma, are you aware of that particular
2478 research?
2479 Ms. Verma. I'm aware of it.
2480 Mr. Cardenas. Okay, thank you. Other studies also show
2481 gains in access to quality and affordable care as well as positive
2482 health outcomes. And in the midst of the opioid crisis, Medicaid
2483 expansion has increased access to medication-assisted treatment
2484 for opioid addiction.
2485 My question to you, Administrator Verma, is, is it true that
2486 substance use disorder treatment is a top healthcare priority
2487 for HHS?
2488 Ms. Verma. I believe it is, yes.
2489 Mr. Cardenas. Okay. That is good to hear. In fact, HHS
2490 has stated that its number one strategy to combat the opioid crisis
2491 is "access, better prevention, treatment, and recovery services."
2492 And as we know, Medicaid has been integral for increasing access
2493 to those services in expansion states. The American Medical

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2494 Association has reported, and I quote, Medicaid is on the front
2495 lines and often provides more comprehensive care for substance
2496 use disorders than the commercial insurance market does. There
2497 may be opportunities to extend Medicaid successes to commercial
2498 coverage. Expanding Medicaid would help even more patients.
2499 So, Administrator Verma, do you agree with the AMA that
2500 Medicaid is critical for providing comprehensive care for
2501 substance disorder to Americans and that expanding Medicaid would
2502 help more American people who are suffering from addiction?
2503 Ms. Verma. Thank you. A couple things. One, on Medicaid
2504 programs, CMS has approved 26 state Medicaid 1115 demonstrations
2505 to expand.
2506 Mr. Cardenas. How many states in the union?
2507 Ms. Verma. There's 50 states in the union, 26 states.
2508 Mr. Cardenas. Okay, thank you. So just over half.
2509 Ms. Verma. But those are the ones that have applied, and
2510 if they've applied we've approved them. So we have tried to
2511 ensure that people with substance use disorder have a full array
2512 of options available to them and more places to receive treatment.
2513 Mr. Cardenas. So the states that have applied and are
2514 providing that service, are they doing better than the states
2515 that are not applying in this category?
2516 Ms. Verma. These waivers, we just started granting them
2517 probably late 2017 and so we're still evaluating those waivers.

2518 Mr. Cardenas. When do you anticipate having evaluations
2519 that you could report to Congress?
2520 Ms. Verma. We'll be happy to share any information that
2521 we can with you.
2522 Mr. Cardenas. About when? Is it 2019, 2020, 2030?
2523 Ms. Verma. You know, it depends on when it comes in. These
2524 are five-year waivers.
2525 Mr. Cardenas. Okay, five-year.
2526 Ms. Verma. And so it would take us at least that and it
2527 depends on when they started their waiver.
2528 Mr. Cardenas. Okay. Thank you so much.
2529 As we know, the Trump administration is rooting for the ACA's
2530 demise by asking the court to strike down the entire law. But
2531 if that happens, Medicaid expansion would be reversed.
2532 Therefore, 12 million American people would lose coverage
2533 literally overnight.
2534 Administrator Verma, if the administration gets its way in
2535 the Texas v. United States lawsuit, what will happen to those
2536 12 million vulnerable people who suddenly find themselves without
2537 coverage?
2538 Ms. Verma. Well, we're rooting for all Americans to have
2539 coverage and under the Affordable Care Act, the middle class can't
2540 afford Obamacare's coverage.
2541 Mr. Cardenas. I asked you specifically about that lawsuit

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2542 and what would happen to those 12 million Americans.

2543 Ms. Verma. And we've been very clear, the President's been

2544 very clear he wants to make sure that people with preexisting

2545 conditions would have protections and we want to make sure that

2546 all Americans would have access to affordable coverage.

2547 Mr. Cardenas. Okay, thank you. Reclaiming my time. That

2548 is not the answer to the question I specifically asked. I

2549 would like to state for the record that the Trump administration

2550 and Administrator Verma are paying lip service to the caring about

2551 American people with these issues, but it is clear that not taking

2552 the steps to encourage the best thing a state can do to immediately

2553 improve the lives of millions of American residents of those

2554 states that it expands -- that it should be expanding Medicaid.

2555 I am out of time, Madam Chair. I yield back.

2556 Ms. DeGette. The gentleman yields back. The chair now

2557 recognizes the gentleman from Montana, Mr. Gianforte, for 5

2558 minutes.

2559 Mr. Gianforte. Thank you, Madam Chair. And thank you,

2560 Administrator Verma, for being here today to testify in front

2561 of our committee.

2562 Last year, Congress removed Medicare reimbursement

2563 restrictions in five areas including telestroke services. Do

2564 you think telehealth would be useful and effective in other

2565 critical care scenarios especially for rural hospitals like I

2566 have in my district that may not have specialists in these small
2567 communities?
2568 Ms. Verma. Absolutely. And I think that's one of the
2569 things that we're trying to focus on in the Medicare program and
2570 part of the reason why I have some concerns when you hear about
2571 proposals to put everybody into the Medicare program.
2572 Unfortunately, the Medicare program often is very slow to respond
2573 to new technology. That being said, our administration has
2574 focused on telehealth services. We've expanded the number of
2575 telehealth services that are available in rural communities and
2576 we've also provided remote communication technology to the entire
2577 program so our beneficiaries can easily access care.
2578 Mr. Gianforte. Okay, I want to dig into this a little more.
2579 The federal government is among the most prolific users of
2580 telehealth and virtual care technologies including the VA, DOD,
2581 IHS, NASA. Unfortunately, just one-quarter of one percent of
2582 Medicare fee-for-service beneficiaries used telehealth in 2016.
2583 Meanwhile, the government has funds, grants, projects through
2584 HRSA, SAMHSA, FCC, and others. We know that some grants may be
2585 duplicative across HHS operating divisions and it is often
2586 difficult for healthcare providers and patients to understand
2587 how they can better access telehealth services.
2588 With limited resources available for telehealth adoption,
2589 it is important that we spend all these funds wisely. Can you

2590 help us understand how these different entities across the federal
2591 government coordinate policy development, federal funding
2592 opportunities, and best practices as it relates to telehealth?
2593 Ms. Verma. Sure. One of the things that we have going on
2594 at Health and Human Services is the Secretary has convened a Rural
2595 Health Committee. And so we have, he's bringing together all
2596 of the agencies under HHS to focus specifically on rural health
2597 and as part of those discussions we're talking about how we can
2598 expand telehealth services to make sure not only people in rural
2599 communities but even urban communities can access those services.
2600 Mr. Gianforte. Okay. And do you believe there is
2601 opportunities to exist to improve coordination and efficiencies
2602 further?
2603 Ms. Verma. Absolutely.
2604 Mr. Gianforte. Okay. Are you aware of any national
2605 telehealth strategy and, if not, should one exist?
2606 Ms. Verma. I think there's been some focused effort on this
2607 in rural communities to make sure that, you know, a lot of the
2608 problem is even if telehealth services are available they may
2609 not have broadband access and so the administration has focused
2610 on that as well. You know, telehealth is a great example of
2611 innovative technology that can really go a long way to improve
2612 access and to improve health care and outcomes and so would love
2613 to continue to work with you on that issue.

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2614 Mr. Gianforte. Well, it is a real area of attention for
2615 us given I represent the state of Montana. We have a lot of space
2616 and not many practitioners. We don't have specialists.
2617 Telehealth is one way to bring those to these rural communities
2618 so they can maintain the viability of our critical access
2619 hospitals and others. So I appreciate all that CMS has done to
2620 increase access to telehealth services. The federal
2621 government has a commitment to keep to our seniors and ensure
2622 they have access to high-quality, affordable health care.
2623 Congress should focus on leveraging both federal funds and lessons
2624 learned so that those who need access most have it, particularly
2625 folks in rural areas. We should prioritize efforts to expand
2626 telehealth access and fully realize the potential it has to
2627 provide services to all our seniors with access to reliable,
2628 quality health care.
2629 I have a minute left. Is there anything else you would like
2630 to tell the American people that hasn't been addressed today?
2631 Ms. Verma. I would like to focus on some of our efforts
2632 around rural health because I think it's an important area. We've
2633 been concerned about the hundred hospitals that have closed, rural
2634 hospitals. We're also concerned that 40 percent of rural
2635 hospitals are operating at a negative margin. This is why we've
2636 taken action with the wage index to increase reimbursement to
2637 hospitals in rural areas and we're also working on something,

2638 a new model for rural communities to basically think about how
2639 they can redesign their system.
2640 I think those decisions need to be made at the local level,
2641 can't be made in Washington, but it's an opportunity for them
2642 to rethink the structure and to move in more value-based care.
2643 So we're excited to continue our work and our commitment to rural
2644 communities across America.
2645 Mr. Gianforte. Again, I want to thank you for your work
2646 at CMS and thank you for being here today. And with that I yield
2647 back.
2648 Ms. Verma. Thank you.
2649 Ms. DeGette. The gentleman yields back. The chair now
2650 recognizes the gentleman from Illinois, Mr. Rush, for 5 minutes.
2651 Mr. Rush. I want to thank you, Madam Chair. And welcome,
2652 Administrator Verma.
2653 Administrator Verma, last month I sent you a letter asking,
2654 to me, a very important question. Why are there so many dialysis
2655 centers in black neighborhoods? In the poor part of my district
2656 it seems that there is a dialysis center on each and every corner.
2657 And I want to thank you for responding to my letter and I am
2658 cautiously optimistic regarding CMS's aggressive goals to reduce
2659 the disproportionate rates of kidney disease in lower income and
2660 minority communities.
2661 Madam Chair, I ask unanimous consent to offer my letter to

2662 CMS and to offer their response into the record.

2663 Ms. DeGette. Without objection, so ordered.

2664 [The information follows:]

2665

2666 ***********COMMITTEE INSERT**********

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2667 Mr. Rush. Administrator Verma, will you describe in detail
2668 how the goals you outline in your response to me will ensure
2669 minority communities in particular that they will have access
2670 to the care and education on treatment options that they may
2671 require if they are on dialysis?

2672 Ms. Verma. Well, thank you for your question. This is an
2673 important area. The President has actually put out an executive
2674 order around kidney disease and the goal of that is multifaceted.
2675 First of all, we want to improve the quality of care. We want
2676 to make sure that people that are living with kidney disease have
2677 options about their care. The first thing that we want to do
2678 is make sure that the transplants, that the ability to have a
2679 transplant to cure their disease is available. And we know that
2680 there's a lot of regulations that get in the way of having more
2681 organs be available and so the President has asked us to take
2682 action on that issue.

2683 The second thing we want to do is make sure that we're paying
2684 doctors for the quality and the outcomes that they achieve. And
2685 one of the things that we want to focus on is giving people living
2686 with kidney disease more options so that they don't necessarily
2687 have to go into a dialysis treatment center and they can have
2688 more home-based dialysis.

2689 Mr. Rush. Ms. Verma, I want to know about the dialysis
2690 centers and those patients who are on dialysis, not those patients

2691 who are looking for organ transplants. And that is really good,
2692 but please center your answers on the issue of the dialysis center
2693 epidemic in lower and minority communities throughout the nation,
2694 certainly in my district.
2695 Ms. Verma. Well, I think that's what this executive order
2696 focuses on. We want to improve the quality of care. We want
2697 to make sure that people have options. That they're not forced
2698 to just go to a dialysis center, that they can even receive that
2699 care at home.
2700 Mr. Rush. So you don't have an answer to my question?
2701 Ms. Verma. Well, I think our executive order, writ large,
2702 focuses on it on kidney care.
2703 Mr. Rush. Well, let me ask you another question then.
2704 I am concerned about hospitals closing in my district and
2705 in similarly situated districts across the nation, all right.
2706 What do you have, any data on closures of hospitals in lower
2707 and minority income communities across the nation?
2708 Ms. Verma. I'm sorry. The question is you want to
2709 understand the impact on --
2710 Mr. Rush. I want to know do you have any data on the number
2711 of hospitals that have been closed in my district and lower income
2712 and minority districts across the nation within the last 5 years?
2713 Ms. Verma. I don't have that data with me today, but I can
2714 commit to you that we can help your office and provide any data

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2715 that we have available to your office.

2716 Mr. Rush. Do you know why there is an increase in the number

2717 of hospitals that are closing in lower and minority income

2718 communities?

2719 Ms. Verma. I have not studied that issue, but I'd be happy

2720 to work with my team and get you that information.

2721 Mr. Rush. Can you come up with any idea about how to prevent

2722 hospitals from closing in minority and low-income communities

2723 across the nation if, in fact, the data reveals that we have such

2724 an epidemic?

2725 Ms. Verma. Well, we want to make sure that people all across

2726 the nation have access. I think we've looked at the issue in

2727 rural areas --

2728 Mr. Rush. I yield back.

2729 Ms. Verma. -- but happy to work with you on that.

2730 Ms. DeGette. The gentleman yields back. The chair now

2731 recognizes Mr. Carter from Georgia for 5 minutes.

2732 Mr. Carter. Thank you very much, Madam Chair. And,

2733 Administrator Verma, thank you for being here. We appreciate

2734 it very much. Is there anything you need to respond to before

2735 I get -- you are okay? Okay.

2736 I want to thank you. I have been working with you now for

2737 close to 2-1/2 years and I appreciate your work. I think you

2738 understand what we are trying to do and I think we are on board.

2739 I want to especially tell you how much I appreciate the proposed
2740 rule changes earlier this year concerning rebates with PBMs and
2741 especially with DIR fees. And whereas, I know you have to temper
2742 your remarks, but I don't, I was devastated that they did not
2743 -- that the administration blocked those rules and that we weren't
2744 able to get them through and I hope that you will continue to
2745 work toward that.

2746 I, for one, believe that we need to do away with PBMs and
2747 I certainly believe we need to do away with DIR fees. Both of
2748 them need to be eliminated. But one thing that I don't think
2749 needs to be eliminated is the 340B program. I do think it serves
2750 a useful purpose. However, I do think it needs to be updated
2751 and I think that we need to tighten up that program. There are
2752 flaws in that program and it can be better than what it is now
2753 if we simply make some changes to it.

2754 We did a study in the last Congress about the 340B program
2755 and made some recommendations and one of the things that we cited
2756 was duplicate discounts. The discounts that are going to the
2757 recipient, the covered entity receives a rebate for the drug that
2758 is dispensed to the patient and the Medicaid agency, and it can
2759 be both the state Medicaid drug rebate plan or the Medicare managed
2760 care plan.

2761 And I just wanted to ask you, whereas I know HRSA has primary
2762 jurisdiction over the 340B program, CMS has jurisdiction over

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2763 the Medicaid program, what are we doing about that? Can you help
2764 me?
2765 Ms. Verma. Sure. And I also do want to address the DIR
2766 fees. What I will say is we're very concerned about small
2767 pharmacies and we want to make sure that our policies ensure a
2768 competitive marketplace, and I can tell you that the agency
2769 continues to work on that issue. We're particularly concerned
2770 about some of the quality metrics that may be impossible for some
2771 of these pharmacies to comply, so we're going to continue to do
2772 what we can under the law.
2773 Mr. Carter. And, of course, as you well know we are trying
2774 to address it legislatively as well and I want to thank my
2775 colleagues on the other side of the aisle for assisting in that
2776 as well.
2777 Ms. Verma. Thank you. And then in regards to the 340B
2778 program, as you know that is the subject of litigation so I won't
2779 get into that, but we are concerned about the double discounts.
2780 At the end of the day, some of the proposals that we made would
2781 result in our seniors paying less and we're concerned about that.
2782 I also would add that the President's budget in terms of the
2783 340B project or our proposal would say that if we made any changes
2784 to the 340B program that any savings could be directed back to
2785 the safety net institutions.
2786 And so, I would ask that you take a look at that because

2787 I think that would be helpful in reforming the program, ensuring
2788 that beneficiaries are paying less when they get their medications
2789 but also ensuring that we support safety net institutions.
2790 Mr. Carter. Absolutely. And I don't mean to be redundant,
2791 but again as I said earlier, I am not opposed to the program.
2792 It just needs, we need to upgrade the program and we need to
2793 make it even better and we can make it even better.
2794 Okay, and then let's shift over to your oversight of hospital
2795 accrediting organizations because I know that is your
2796 responsibility as well. And it is my understanding that you have
2797 a new pilot program out there that is dealing with the "increase
2798 the agency's oversight of organizations involved in accrediting
2799 and inspecting most hospitals?"
2800 Ms. Verma. I think, one -- we do have, we had an RFI out
2801 on this. One of the things that we've had some concerns about
2802 is that organizations that are reviewing safety and quality at
2803 hospitals we put out an RFI because we've also heard some concerns
2804 that these organizations are also receiving consulting dollars
2805 from those same entities, so we're taking a look at that. We
2806 want to make sure that the American public can count on the
2807 accreditation and that they have the information that they need
2808 about the hospital at their fingertips.
2809 Mr. Carter. Obviously that is a conflict of interest if
2810 they are doing the consulting and the accrediting. Is the pilot

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2811 program in place or you just have an RFI for it?

2812 Ms. Verma. We -- so there's two different issues. One is

2813 around the accreditation issue and conflicts of interest. The

2814 other issue that we have in place is just looking at, we have

2815 a pilot program to do joint review so that we can have our oversight

2816 of the accrediting organizations and that we basically do the

2817 review of the hospitals at the same time so that we're not

2818 duplicating that. We're going to see how that goes.

2819 Mr. Carter. Great. And again, I want to thank you for all

2820 your work and especially for your work on the DIR fees, because

2821 as you say particularly for small pharmacies, which we need in

2822 this country, this is devastating for them. So, thank you and

2823 I yield back.

2824 Ms. Verma. Thank you.

2825 Ms. DeGette. The gentleman yields back.

2826 I want to thank our witness for her participation in today's

2827 hearing and I want to remind members that pursuant to committee

2828 rules they have 10 business days to submit additional questions

2829 for the record to be answered by the witness who has appeared

2830 before the subcommittee. Administrator Verma, I would ask

2831 that you agree to respond promptly to any such questions should

2832 you receive them. And with that the subcommittee is adjourned.

2833 Ms. Verma. Thank you.

2834 [Whereupon, at 12:31 p.m., the subcommittee was adjourned.]