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House Committee Energy & Commerce: "Obamacare Implementation Problems: More than Just a Broken Website."

On Thursday, November 14th, the House Energy & Commerce Committee, Subcommittee on Health held a hearing to investigate the problems surrounding the implementation of the Patient Protection and Affordable Care Act (PPACA or ACA). The following panel of witnesses testified before the committee:

- [Michael J. Astrue](#), Former Commissioner, Social Security Administration
- [Avik Roy](#), Senior Fellow, Manhattan Institute for Policy Research
- [Roger Stark](#), MD, Health Care Policy Analyst, Washington Policy Center
- [Sabrina Corlette](#), Research Professor, Health Policy Institute, Georgetown University
- [Marilyn Dixon-Hill](#), Registered Nurse and Clergy Person, Camden Bible Tabernacle

The hearing began with opening remarks from the Health Subcommittee Chairman, [Joe Pitts \(R-PA\)](#) and from the Energy and Commerce Committee Chairman, [Fred Upton \(R-MI\)](#).

Background

Prior to the open enrollment of PPACA of October 1st, 2013, there were several concerns in regards to the system readiness and of its functionality of the exchanges. In addition to the technical issues and the privacy concerns of HealthCare.gov, there have been major system problems leading to delays for consumers wanting to shop for health coverage plans. Other key implementation concerns are cost, affordability, security and privacy. President Barack Obama had previously publicly stated that the American people will be able to keep their health care plans if they liked their current policies. However, many individuals are receiving health plan cancellations and are facing the loss of their health care coverage. As well, some providers, such as private practices and hospitals, have yet to participate in an exchange contract. These issues have left many Americans concerned and confused on their access to health care in 2014. Medicaid expansion also plays a key role in the implementation of the PPACA. Many states have chosen to expand their Medicaid program under the PPACA leading to an influx of thousands of new enrollees into the Medicaid program. The congressional representatives agree that the state's ability to properly administer their Medicaid programs under the PPACA must be addressed.

Witnesses

Michael Astrue, former Department of Health and Human Services (HHS) General Counsel and Commissioner of Social Security, testified before the committee about his previous achievements in overseeing the replacement and expanding Social Security's electronic services. He explained to the committee, in efforts to reduce the number of hearings, his team built a system for congressional representatives to access status reports directly. Specifically, he and his team worked with the health care exchange website. Mr.

Austere explained that HHS mismanaged the process and the website's technical issues and glitches are poor excuses. He further explained that Former Administrator Berwick failed to keep the team accountable for such a large project such as implementing the PPACA. HHS made a small progress under Berwick's leadership. Marilyn Tavenner, Administrator for CMS is in charge of overseeing the rollout of HealthCare.gov. Mr. Astrue believed the decisions leading up to the launch compromised quality in order to meet deadlines. Mr. Astrue explained, the rollout of the website was highly supported by senior executives, who decided to address the problems after the launch. Mr. Astrue further stated that fixing the system in one month is an impossible task. There have been several shortcuts leading to the rollout and a true fix of the system at a short amount of time seems unreasonable. He concluded the testimony calling for a greater transparency and respect for the security and privacy of Americans.

Avik Roy, Senior Fellow at the Manhattan Institute for Policy Research, expressed his concerns about the design and implementation flaws of the PPACA's insurance exchanges. His role as a senior fellow is to research on health care and entitlement reform. Mr. Roy explained that the PPACA made significant changes to the individual market. First, the health care law prohibits insurers from charging varying rates to both sick and healthy individuals. This mandate creates higher rates on younger and healthier individuals in order to subsidize for the older and sicker population. Second, the PPACA taxes premiums and other industries, which will ultimately create a net effect of increasing health care insurance costs. Third, adverse selection on health exchanges is likely to occur as healthier and younger individuals will have fewer incentives to enroll in the exchanges. Fourth, higher deductibles and narrower networks could be seen under the PPACA. Mr. Roy concluded his testimony by stating his support for Chairman Upton's bill, H.R. 3350, which will allow individuals to continue to keep their current health care plans.

Dr. Roger Stark, Health Care Policy Analyst at the Washington Policy Center, testified on behalf of the Washington state's experience of their state health insurance exchanges. He explained that there was a temporary technical problem on the launch date of October 1st. However, the Washington state exchange has been successful at accepting applications through the website. As of October 31st, Washington has a total of 105,000 applicants with 70,000 in the Medicaid program and approximately 90% of completed applications were through the Medicaid program, which required no upfront fee. Under the PPACA, taxpayers will have to pay some percentage of the cost for Medicaid expansions. Therefore, state taxpayers in Washington will pay approximately \$17.9 – 22.2 billion over the next 10 years to fund for the Medicaid expansion program. Mr. Stark made it clear that the rising cost of Medicaid is a problem and it crowds private insurance. He stated that Medicaid does not improve overall health outcomes when compared to individuals without a health insurance.

Sabrina Corlette, Senior Research Fellow at Georgetown University Health Policy Institute for Center on Health Insurance Reforms, testified before the committee on the individual health insurance market. She explained that many individuals lack access to health care coverage because of their health status discrimination (pre-existing conditions). The PPACA has already addressed this issue and it will continue to improve access to health care for Americans with pre-existing conditions. Ms. Corlette concluded, "The ACA users in common-sense reforms that will soon improve Americans' experience buying insurance and, most importantly, provide them with more meaningful access to

health services and help protect them financially when they get sick or injured. These changes are transformative – and some changes will cause some disruptions, particularly for young, healthy individuals. But overtime, millions of Americans will benefit from a system that is fairer and more accountable.”

Marilyn Dixon-Hill, Registered Nurse and Clergy Person at Camden Bible

Tabernacle, testified to the committee about her story as a representative of the PICO Network, a faith-based community organization. She shared her experience of receiving a routine flu shot in which she developed a rare side effect that made her paralyzed and nearly died from it. She has slightly recovered but is disabled with Guillain-Barre syndrome. Ms. Dixon-Hill further explained that she was unable to financially afford her treatment and care. The disability benefit she was receiving made her ineligible to qualify for Medicaid. She explained there are several people facing similar problems and access to an affordable health care is important. The high rates of Medicaid enrollment signify that numbers of Americans need health care coverage.

Questions and Discussion from the Committee Members

Chairman Joe Pitts (R-PA) asked if the President’s statement about the grandfathering regulations is accurate. He also expressed his concerns about budgeting for Medicaid programs. The panel of witnesses were hesitant to answer the grandfathered policy. However, Mr. Roy did respond that it was not an accurate statement from the president. Mr. Stark explained that budgeting individual Medicaid programs would burden the states under federal regulations. Mr. Astrue stated, “It is unfair to blame the contractors,” rather, there was lack of basic management techniques under the previous administrator. He further explained that they (whose they?) did not meet regularly which is important to evaluate and seek where the problems are and to fix those problems early on.

Congressman Butterfield (D-NC) asked if low enrollment numbers are expected for a new program such as the PPACA. Ms. Corlette said from her past experience with other pivotal rollouts such as Part D in Medicare or with Massachusetts’ statewide health insurance project, low enrollment numbers are expected. She explained that she does not see the need to sign-up immediately especially since the enrollment date is not until January 1st, 2014.

Congressman Griffith (R-VA) shared a story of how his constituent did not qualify for health care coverage and was unable to receive federal subsidies because of her assets from Medicaid. Mr. Stark and Mr. Roy both responded that is how the marketplace system is set up and citing this is as one of the major problems with the insurance exchanges. The mandate is strictly enforced however; individuals could rearrange their income level in order to maximize their subsidies. One “option” is not to file a tax return, which then the mandate will not apply to that individual.

The witness testimonies and a video recording of the hearing are available [here](#).