

**Opening Statement of Ranking Member Diana DeGette**  
**Subcommittee on Oversight and Investigations**  
**Hearing on “Examining the Costly Failures of Obamacare’s CO-OP Insurance Loans”**  
**November 5, 2015**

Mr. Chairman, I am glad we are having this important hearing.

From day one, I have worked with my state and the Administration to help the Colorado co-op succeed. Across the country, the co-ops have provided consumer-focused coverage options and have injected competition into the health insurance market.

Yet, a number of co-ops are facing financial challenges and will not be competing in the 2016 marketplace. We have seen announcements over the last several weeks about co-ops closing their doors, including the co-op that served Colorado.

I am very disappointed that the Colorado Division of Insurance was compelled to shut down the co-op. Yes, they faced challenges. But they served the critical needs of 83,000 Coloradans for two years. And the company was well on its way to fiscal sustainability in 2016.

I am also disappointed at how CMS has managed this problem, which I will get to later. But, equally to blame is the Congress, who I believe has not worked as a partner to support the emerging co-op market that is attempting to bring more competition and choices to a market frequently dominated by one or two insurers.

Mr. Chairman, I do wish we could have saved the co-op in my state. But if we cannot do that, I wish we would use our time productively today to ensure the remaining co-ops are successful.

Unfortunately, I know better than that. I know that a hearing before this Subcommittee with “Affordable Care Act” or “Obamacare” in the title will not be a productive endeavor. We will not spend the next several hours learning from the experts before us about the challenges faced by the co-ops and what we can do to improve them.

We could be doing meaningful oversight instead of taking 61 votes to abolish the Affordable Care Act. Instead, my colleagues on the other side prefer to sit on the sidelines and root for the law to fail. They have squandered the last five years, by celebrating every bump in the road as we implemented the law rather than focusing on how to make it better. Even worse, some of my Republican colleagues have intentionally placed roadblocks that have actually made it harder for their own constituents to access care.

I am not suggesting that the Affordable Care Act has been perfect. But the important thing is that we learn from these bumps in the road

and move the ball forward. If we could do that, we would be working together to improve health care coverage for millions.

Senator Sasse, in an op-ed you published this past weekend about the co-op closures, you wrote – quote – “This isn’t about spreadsheets — it’s about people.” And I couldn’t agree more.

It’s about people who, before the passage of the Affordable Care Act, faced skyrocketing healthcare costs. It’s about people who were at the mercy of health insurance companies that could raise rates or deny coverage for arbitrary reasons to protect their profits. It’s about people who feared that an unexpected medical expense would bankrupt them.

But thanks to the Affordable Care Act, they don’t have to face these uncertainties anymore. Americans are no longer one accident or illness away from financial ruin.

Mr. Chairman, our constituents should be able to depend on Congress to work productively to improve the healthcare landscape in the country. That’s what I plan to do today. I will use my time to hear from the experts before us about how we can help the remaining co-ops succeed.

I will have some hard questions for CMS. I want to know what went wrong with the risk mitigation mechanisms that were designed to promote competition and ensure stability in the insurance marketplace. I want answers about how the co-ops wound up owing money to the big insurance companies through the risk adjustment program. I want to understand why CMS said over the summer that risk corridor collections would be sufficient to cover all risk corridor payments, while less than three months later, they revealed they would only be able to pay 13 percent of the requested amounts to insurers.

In short, I want to know whether CMS is thinking outside the box and coming up with a path forward to support this important competitive ingredient in today's health insurance market.

I want to thank all of our witnesses for coming before us today. I know we can use your expertise to improve the law and the lives of our constituents. And I hope members on both sides of the aisle have come ready to hear your ideas, so we can finally have a productive hearing on the Affordable Care Act.

I yield back.