



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
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Pallone Slams Continued GOP Efforts to Undermine the ACA

Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following remarks at a joint Subcommittee on Health and Subcommittee on Oversight and Investigations Hearing on Committee Republicans continued efforts to undermine the Affordable Care Act:

Good Morning. Thank you to our witnesses for joining us today for yet another hearing on the Affordable Care Act. This will be our committee's tenth hearing on the law just this Congress. And while I continue to hope that my Republican colleagues will come to their senses and finally hold a hearing to work in a bipartisan way to improve the ACA, unfortunately, once again, this will not be that day.

Instead we're here today to discuss four reports on different aspects of the Affordable Care Act, two of which were only made available to staff and the public on Monday.

One report by the Office of the Inspector General on the conversion of startup loans by CO-OPs found that no wrongdoing occurred. The report simply found that the CO-OPs were in compliance with CMS guidance and accounting principles when converting startup loans.

Another report released by the Government Accountability Office – GAO – this month examines health insurance market concentration and competition in 2014, finding that enrollees tend to be concentrated among only a few issuers. However, since this report analyzes data collected prior to the implementation of the ACA's insurance exchanges, it does not shed light on whether the exchanges have affected market concentration.

We'll also be discussing a report that is a continuation of the GAO's "fake shopper" investigation in which GAO used fake identities and fake documents to attempt to enroll in coverage through the health insurance Marketplaces and Medicaid. Let me start by saying that it is inconceivable to me that anyone would be skilled enough or motivated enough to try to fraudulently gain health insurance coverage this way, particularly since there is no possible scenario in which an individual could financially gain from gaming this system. Even if someone were to obtain health insurance with fraudulent information, they would still

need to pay premiums, and any other out-of-pocket costs associated with their plan, to actually get medical services.

Nevertheless, for the third year in a row GAO created false identities and attempted to enroll in coverage, concluding that the system remains vulnerable to fraud. Republicans have translated this conclusion to mean that this sort of fraudulent enrollment is rampant in the Marketplace. To use this report to try to say that people can get so-called free health care is ridiculous. In fact, GAO's fake shoppers paid premiums each month and did not seek any health care.

This report fails to answer two very important questions -- is this a real problem, and if it is, how can we fix it? These are questions Democrats are interested in answering. Yet once again GAO has not provided CMS with the information on the fake identities it created. This information could help the agency learn from GAO's work and fix potential vulnerabilities in the system.

Democrats care about program integrity and oversight too. But once again I suspect that this hearing is not about oversight but about headlines. As I've already said, it seems entirely unrealistic that some of the most vulnerable individuals in this country would have the desire, time, money and expertise to fraudulently gain coverage the way GAO did in their study --and GAO's lack of recommendations in this report is disappointing. We and the administration rely on GAO for unbiased reports and recommendations. These fake shoppers provide neither.

Making sure that all Americans have access to health insurance is a priority of mine. It should be a priority for this Committee as well. I believe this can be done while also upholding the integrity of our eligibility and enrollment processes.

We cannot forget that thanks to the ACA, the uninsured rate is at an all-time low. Twenty million more people now have health insurance and the vast majority are satisfied with their coverage. It's important to remember that because of the ACA, Americans now have access to free preventive services, kids can stay on their parents' plan up to age 26, and there are no lifetime or annual limits on coverage. Since the enactment of the ACA, the solvency of the Medicare Trust Fund has been extended by 13 years. In addition, unnecessary hospital readmissions in Medicare have fallen for the first time on record, resulting in 100,000 fewer readmissions in 2015 alone.

The ACA's marketplaces are new. The ACA's consumer protections are new. As with almost every new law - there will be necessary changes and adjustments. But what's different about this law is that we have not been able to make these changes. Instead of working together to make sure the law works for everyone, my colleagues on the other side of the aisle have tried to repeal this law more than 60 times. We have met resistance at every turn.

There are absolutely ways that we can improve upon the ACA's successes, expand access to affordable coverage, and reduce the number of uninsured. Unfortunately, this hearing is

not about ways to improve the ACA. It is another political attempt to obstruct implementation of the law. I yield back.

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