



COMMITTEE ON
ENERGY & COMMERCE
RANKING MEMBER FRANK PALLONE, JR.

DEMOCRATS

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**Statement of Ranking Member Frank Pallone, Jr., as prepared for delivery
House Energy and Commerce Committee
Subcommittee on Health
Hearing on “Reviewing the Accuracy of Medicaid and Exchange Eligibility
Determinations”**

Mr. Chairman, I think we would both agree that this Committee has a long history of working respectfully together even on the most difficult of topics. But unfortunately that did not happen here today with this hearing.

It seems to me that my colleagues want nothing more than a splashy topline message to justify their obsession with undermining the Affordable Care Act. The result of which is an attempt to take away health care coverage from millions of Americans.

I say this partly because I received only one paper copy of each of the GAO reports under discussion from the Majority approximately 72 hours before this hearing, despite the fact that my staff had asked for these reports for at least a week prior. And, my staff had to push multiple times for a timely briefing from GAO on their preliminary so-called “fake shopper” undercover work, also the topic of today’s hearing. Meanwhile, the only documentation available regarding the fake shopper investigation was GAO’s testimony, which was made available to our Committee less than 48 hours ago. This is not a positive reflection on this Committee.

Let me also point out that while today’s hearing may purport to be an honest examination of GAO’s work, I question its motives and methods. GAO is supposedly a nonpartisan body. Its mission is supposedly to help government work more effectively and efficiently. But it certainly is not meant to go undercover to create headlines and play “I gotcha” with federal agencies.

The fact that GAO refuses to provide CMS with the information on the fake identities it created, so that the agency can learn from GAO’s work and fix potential vulnerabilities in the system, runs counter to that mission. That is why I sent a letter this morning to GAO

Comptroller General Gene Dodaro outlining these and other growing concerns about GAO, and I hope he conducts an investigation of GAO policy in this case.

Mr. Chairman, I do not believe that today's hearing is about program integrity. But it is another example of Republicans' relentless and tone-deaf war on the Affordable Care Act.

In addition to GAO's fake shopper investigation, we will hear today about two additional reports. If it were not for Republicans' continual mission to undermine the ACA, these reports could have provided a good policy discussion. Both highlight important areas where the agency should continue to focus on the ACA's streamlined "no wrong door" policy. That policy rightly allows consumers to apply for coverage on either the marketplace or with their state Medicaid agency to ensure appropriate health care coverage.

Importantly, the reports highlight the extensive amount of work the federal government and states have done to improve these processes. In fact, CMS is already implementing all of GAO's recommendations.

But I cannot say the same for the preliminary "fake shopper" investigation. Let me be clear, Democrats are not opposed to program integrity. However, using fake identities and fake documents is not a fair or realistic test of the accuracy and effectiveness of the eligibility and enrollment system in the new health care marketplaces. In fact, no reality exists in which a person can financially gain from gaming this system. At best, someone would pay an insurance company a monthly premium, pay their deductible, all to get well from an illness or disease. This is not some charlatan's trick.

It is inconceivable to me that some of the most vulnerable individuals in this country would have the desire, time, money and expertise to try over and over again to fraudulently gain coverage. In fact, I worry more that some of our country's neediest individuals end up forgoing coverage because the system is still too confusing for them.

Mr. Chairman, all of GAO's fake shoppers that went through the health care website failed the identity check. They were all required, under penalty of perjury, to submit additional documents at which point GAO provided counterfeit information, such as fictitious Social Security cards and immigration documentation. Further, GAO stopped short of filing tax returns for the fake shoppers. This makes clear that we have important controls in place.

Republicans have said that Democrats care too much about ensuring people can access coverage. That is an accusation that I am proud to own. I do believe the priority should be first and foremost that people can access the coverage they need and are entitled to have. And I am proud to have been a chief architect of the law that helped make that happen.

I hope that today we hear from GAO and Republicans a fair assessment of how to improve the health care coverage in this country, not more of the same old rhetoric of tearing down the ACA.

I yield back.

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