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## **Hatch Statement at Finance Committee Hearing Examining HealthCare.gov Enrollment Controls**

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*Good morning.*

*Today's hearing will address controls at the HealthCare.gov website.*

*Specifically, the committee will hear from the Director of Audit Services at the Government Accountability Office, Seto Bagdoyan. Director Bagdoyan's team has led an undercover "secret shopper" investigation to test the internal controls of HealthCare.gov and to review the Centers for Medicare & Medicaid Services' handling of this program.*

*This investigation was designed to determine the degree to which the administration's federal health insurance exchange can protect against fraudulent applications, what happens when applicants provide false information and documentation, and whether the controls are successful in dealing with irregularities once they are found.*

*Perhaps I should say SPOILER ALERT before this next part: Today, Director Bagdoyan will explain how the federal exchange failed spectacularly on virtually all relevant accounts tested by GAO.*

*For this investigation, GAO created fictitious identities to apply for premium tax subsidies through the federal health insurance exchange. We learned last year that 11 out of 12 fake applications were approved. CMS accepted fabricated documentation with these applications without attempting to verify its authenticity and enrolled fake applicants while handing out thousands of dollars in premium tax subsidies.*

*Now, a year later, GAO has reported that nothing has changed and that, if anything, there are more problems.*

*Worst of all, the administration has known about these problems for over a year now and has apparently not taken the necessary steps to rectify them. While CMS says that it is balancing consumer access to the system with program integrity concerns, I think it's pretty clear just what's going on here.*

*Since the federal exchange was first implemented, success has been measured by the number of applicants that have signed up for insurance. Indeed, last year, when the administration reached its initial enrollment goal, critics of the law were told that we had been wrong all along and that the law was, despite all the evidence to the contrary, working just fine.*

*However, with these findings from GAO, it seems obvious, at least to me, that the administration has been preoccupied with signing up as many applicants as possible, ignoring potential fraud and integrity issues along the way.*

*Now, supporters of Obamacare often insist that it is "the law of the land," and that Congress should work to improve, rather than repeal it.*

*On the first point, these proponents are, unfortunately, correct. For the foreseeable future, the so-called Affordable Care Act is the law of the land.*

*On the second point, Republicans in Congress continue to work toward repeal of the misguided law and its expensive mandates, regulations, penalties, and taxes, and replace it with patient-centered reforms that put patients, rather than Washington bureaucrats, in charge of their health care decisions.*

*However, needless to say, that day will not come until there is a President who shares our goal.*

*So until then, Obamacare will remain in place. In the meantime, Congress has an obligation to exercise rigorous oversight of the implementation of the law and to work to protect both beneficiaries and taxpayers from its negative consequences.*

*That's what today's hearing is about.*

*We're here today to get an account of how things are working on the federal health insurance exchange. And, once again, what we've heard thus far is not reassuring and does not speak well for CMS's management of Healthcare.gov, the protection of taxpayer dollars, or the experience of enrollees.*

*The GAO's investigation exposes not only huge gaps in federal exchange program integrity, but also flaws in how the exchange and CMS contractors treat Americans who are trying to file or correct legitimate applications.*

*Time after time, the GAO team sent information to the exchange for verification only to have it ignored, or have the exchange respond as if something entirely different had been sent in. The fact that GAO encountered mind-boggling levels of incompetence and inefficiency at nearly every turn does not bode well for the experience of your average, honest enrollee.*

*I look forward to today's hearing and what I hope will be a good discussion on program integrity of Healthcare.gov.*

*Before I conclude, I want to note that, even though this GAO investigation was requested by this committee, CMS was less than cooperative. Indeed, throughout the entire endeavor, officials at CMS appeared to be dragging their feet, blowing past deadlines and good-faith attempts to carry out this important work.*

*Put simply, when Congress asks GAO to conduct an inquiry, no federal agency should stand in the way of that work. By delaying the GAO and hampering their efforts, CMS has also delayed this committee's work and hampered our efforts.*

*This is unacceptable. And, unfortunately, despite promises of increased transparency and cooperation from agencies throughout this administration, this type of stonewalling of legitimate oversight efforts is far, far too common.*

*Acting CMS Administrator Andy Slavitt, who is now the President's nominee to run the agency, was personally involved in this process. As the committee considers his nomination, I look forward to asking Mr. Slavitt about this investigation and why CMS has been interfering with our oversight efforts.*

*Of course, that will all have to wait for another day and another time. Today, we have our hands full as we hear testimony about this important GAO investigation.*

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