

1 NOMINATIONS OF MARJORIE ROLLINSON, TO BE CHIEF COUNSEL,
2 INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY;
3 PATRICIA NEUMAN, TO BE A MEMBER OF THE BOARD OF TRUSTEES
4 OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST
5 FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND,
6 THE BOARD OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE
7 TRUST FUND, AND THE BOARD OF TRUSTEES OF THE FEDERAL
8 SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND; AND
9 DEMETRIOS L. KOUZOUKAS, TO BE A MEMBER OF THE BOARD OF
10 TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE
11 TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST
12 FUND, THE BOARD OF TRUSTEES OF THE FEDERAL HOSPITAL
13 INSURANCE TRUST FUND, AND THE BOARD OF TRUSTEES OF THE
14 FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND
15 THURSDAY, NOVEMBER 2, 2023
16 U.S. Senate,
17 Committee on Finance,
18 Washington, DC.

19
20 The meeting was convened, pursuant to notice, at
21 9:33 a.m., in Room 215, Dirksen Senate Office Building,
22 Hon. Ron Wyden (chairman of the committee) presiding.

23 Present: Senators Cardin, Whitehouse, Warren,
24 Crapo, and Blackburn.

25 Also present: Democratic staff: Sam Conchuratt,

1 Professional Staff Member; Grace Edna, Tax Policy
2 Analyst; Joshua Sheinkman, Staff Director; Tiffany
3 Smith, Deputy Staff Director and Chief Counsel; and
4 Ryder Tobin, Senior Investigative Counsel and
5 Nominations Advisor. Republican staff: Becky Cole,
6 Chief Economist; Courtney Connell, Chief Staff Counsel;
7 Gregg Richard, Staff Director; Laura Rosner, Social
8 Security Policy Advisor; and James Williams, Tax and
9 Economic Policy Advisor.

10

1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON, CHAIRMAN, COMMITTEE ON FINANCE

3

4 The Chairman. The Finance Committee will come to
5 order. Today we meet to consider three pending
6 nominations, Ms. Marjorie Rollinson, Mr. Demetrius
7 Kouzoukas and Dr. Patricia Newman. We are going to use
8 the time now to make statements on the nominees. I will
9 make a statement, followed by Senator Crapo, followed
10 then by any other Finance members who wish to make
11 statements.

12 At that point, if we have a quorum, we will
13 proceed to the vote. If we do not have a quorum, we
14 will recess until the next roll call vote on the Senate
15 floor, when the Committee will reconvene in the
16 President's room off the floor to have the vote.
17 Senator Crapo, I understand that that is acceptable to
18 you?

19 Senator Crapo. Yes.

20 The Chairman. Okay. First, we have the
21 nomination of Marjorie Rollinson to be Chief Counsel at
22 the IRS. The Chief Counsel's Office is responsible for
23 ensuring the agency is implementing tax law by the
24 books. I am pleased that the President has sent the
25 Finance Committee such a qualified nominee.

1 Ms. Rollinson has decades of tax and management
2 experience in both the public and the private sector,
3 including several years at the Office of the Chief
4 Counsel that she has been nominated to run. If
5 confirmed, she would be the first woman to serve as
6 Chief Counsel.

7 Now it is no secret that Democrats and Republicans
8 have differing views about how the IRS should operate.
9 But the position of Chief Counsel has historically been
10 one that has received bipartisan support. My hope is
11 that will continue today. The last Chief Counsel,
12 Michael Desmond was reported out of the Finance
13 Committee by a 26 to 2 vote, was confirmed by the Senate
14 with an 84 to 15 vote. I urge my colleagues to maintain
15 this bipartisan support.

16 Now on to the Public Trustees. The Board of
17 Trustees and the Social Security and Medicare Trust
18 Funds are responsible for issuing annual reports to
19 Congress on the status of the Trust Funds, that ensure
20 Americans receive their earned benefits, now and into
21 the future.

22 The Board is made up of six members, the Treasury
23 Secretary, the Secretary of Labor, the Secretary of
24 Health and Human Services and the Commissioner of Social
25 Security, as well as two Public Trustees. The Board has

1 been without Public Trustees for over eight years.

2 So, we now have two qualified nominees before the
3 Committee. Demetrius Kouzoukas has been nominated to
4 fill the Republican slot for the Public Trustee. He has
5 got extensive experience across our federal health
6 programs, serving at both the Health and Human Services
7 Department, as well as a variety of roles in the private
8 sector.

9 Ms. Trisha Newman is a long-time leader at the
10 Kaiser Family Foundation. I have worked with her for
11 years and years, with the excellent advocacy for older
12 people that she is known for, and she has worked in both
13 the House and the Senate.

14 Both nominees have the experience needed to
15 represent the public and ensure the integrity of the
16 Board's reports. I would also like to reiterate that
17 this role requires putting the public interest first,
18 not the interests and values of outside employers or any
19 other financial relationship.

20 The financial future of both Social Security and
21 Medicare are on the minds of families across this
22 country as well as lawmakers, and work needs to be done
23 to chart a course that is going to protect and
24 strengthen Americans' earned benefits.

25 Before I close, I want to take a moment to

1 acknowledge my friend, Senator Warren. She has raised
2 concerns, important ones in my view at the hearing, and
3 in subsequent letters regarding Mr. Kouzoukas's
4 background and potential conflicts of interest serving
5 as a Public Trustee, while also serving on the Board of
6 Clover Health.

7 I share her view that it is important to hold
8 every single public servant to the highest standards,
9 and that current law governing ethics, government ethics
10 issues may in fact need to be reexamined. Nonetheless,
11 the Office of Government Ethics has reviewed Mr.
12 Kouzoukas's position and found that he does not need to
13 resign from the Board.

14 I also want to reiterate that the Public Trustee
15 positions do not create policy or make policy
16 recommendations. Their role is making sure that the
17 American people are confident in the projections and
18 reports produced by the boards, the two boards, Social
19 Security and Medicare Trust Fund Board.

20 On this point, I ask unanimous consent to enter
21 into the record a letter from former Democratic and
22 Republican officials, who have been directly or
23 indirectly involved in past trustee reports, including
24 the two most recent Public Trustees that affirm this
25 point. Hearing no objections, so ordered.

1 [The letter appears at the end of the transcript.]

2 The Chairman. Further, I am assured from Mr.
3 Kouzoukas's written response to our questions, that he
4 will commit to resolve any potential conflicts that may
5 arise. Those written reports or written responses were
6 important to me because I did follow the important
7 questioning that took place in the Committee.

8 I want to thank all three nominees for their
9 willingness to serve the public, and I urge Members to
10 support the nominees.

11 Senator Crapo?

1 OPENING STATEMENT OF HON. MIKE CRAPO, A U.S. SENATOR
2 FROM IDAHO

3

4 Senator Crapo. Thank you very much, Mr. Chairman.
5 We have three important nominees before us today. Ms.
6 Rollinson has been nominated to serve as Chief Counsel
7 of the IRS and Assistant General Counsel in the
8 Department of Treasury.

9 Ms. Rollinson has a strong resume and impressive
10 technical expertise, and I appreciate both her prior
11 service at the IRS and her willingness to serve today.
12 However, the agencies to which she has been nominated
13 continue to be plagued by various issues, many of which
14 were raised during her nomination hearing.

15 There are a number of concerning developments at
16 the IRS and Treasury, including an increasingly partisan
17 framing of the tax gap and IRS enforcement efforts, the
18 continued inability of the IRS to adequately address
19 long-known security flaws, the IRS's continued focus on
20 development of the partisan and duplicative direct file
21 program, and Treasury's advancement of the OECD Pillar
22 Two negotiations without meaningful Congressional input,
23 to the likely detriment of domestic businesses and
24 workers.

25 Despite continued assurances that transparency and

1 taxpayer service will improve, there have not been
2 demonstrable changes to support these commitments. As I
3 acknowledged at last month's nomination hearing, Ms.
4 Rollinson was not there for many of these recent IRS
5 problems, and we may in fact share common ground on some
6 of them.

7 I was encouraged by her commitment to work closely
8 with the Finance Committee to ensure taxpayers have
9 confidence in the IRS and security of their confidential
10 taxpayer information, to hold IRS employees accountable
11 if they do not treat taxpayers with fairness and
12 impartiality, and to ensure the IRS follows the Tax Code
13 in all respects, including to administer the Code in
14 line with statutory and Congressional intent, among
15 other commitments.

16 However, given the many existing unresolved issues
17 at the IRS and Treasury, I cannot support Ms.
18 Rollinson's nomination today. That said, I do look
19 forward to working with Ms. Rollinson on addressing the
20 concerns my colleagues and I have raised throughout this
21 process, and making progress.

22 Moving to the other two nominees under
23 consideration today, Dr. Newman and Mr. Kouzoukas, who
24 have been nominated to be Public Trustees of Social
25 Security and Medicare. There is no question that both

1 of the nominees under consideration today are qualified
2 experts. They have solid reputations as being fair,
3 objective and highly competent.

4 I have heard some criticisms that misrepresent the
5 role of Trustees. It is very important that we be clear
6 about what the Public Trustees do, and perhaps more
7 importantly, what they do and do not do. The required
8 annual reports to Congress do not include
9 recommendations from the Public Trustees on changes to
10 Social Security or Medicare.

11 They do not provide a public platform for anyone
12 on either end of the ideological spectrum to enact their
13 policy reviews. If confirmed, their job is to provide,
14 objective dispassionate accounts of exactly what is
15 happening with the Trust Funds.

16 As a bipartisan group of health policy and Social
17 Security experts said in a recent letter to this
18 Committee, "The Public Trustee do not create policy or
19 make policy recommendations. Rather, the Public
20 Trustees are tasked with overseeing the Trust Funds and
21 reporting on the status of the Funds to Congress and the
22 American people.

23 I urge my colleagues to support these bipartisan
24 nominees, both of whom are well-regarded by experts in
25 their fields. Thank you, Mr. Chairman.

1 The Chairman. I thank my colleague.

2 Here is where we are, colleagues. We clearly do
3 not have a quorum right now to vote on these nominees,
4 so what we will do is we are going to ask our colleagues
5 who would like to make a statement. Senator Warren has
6 indicated to me that she would like to, and after
7 Senator Warren and any other colleagues wish to make a
8 statement, we will take a break then, and we will
9 reconnoiter at ten o'clock, and let me just give you a
10 little bit of a preview.

11 I am thrilled that we are going to have one of the
12 Senate's greats, Senator Barbara Mikulski, here to
13 introduce our governor. That will take place at 10:00,
14 and Senator Warren, you were first.

15 Senator Warren. Thank you, Mr. Chairman. So the
16 Public Trustees of the Medicare and Social Security
17 Trust Funds serve a really important purpose. They
18 represent the public in the process of evaluating the
19 financial health of Medicare and Social Security, in
20 order to ensure that these programs will continue to
21 serve the millions of current and future beneficiaries
22 who rely on the.

23 One of the nominees for this position, Mr.
24 Kouzoukas refuses to resolve a huge conflict of interest
25 that will make it impossible for him to put the public's

1 interest ahead of his own personal financial interest.
2 The Medicare and Social Security Boards of Trustee are
3 charged with making projections and recommendations
4 about the financial outlook of the program's Trust
5 Funds.

6 Numerous experts have identified Medicare
7 Advantage as a threat to the solvency of Medicare. It
8 would therefore be reasonable to believe that the
9 Trustees' report about Medicare's solvency would discuss
10 Medicare Advantage, and indeed, reports have done so in
11 the past.

12 But here is the thing. Mr. Kouzoukas serves on
13 the board of directors of Clover Health, a for-profit
14 Medicare Advantage plan with financial interests that
15 would be directly affected by these discussions. As a
16 Board member, Mr. Kouzoukas would be obligated under
17 corporate law to look out for the interests of Clover
18 Health, creating an irreconcilable conflict of interest
19 with his duties as a Public Trustee.

20 There has never been a Public Trustee who served
21 on the board of a private insurer at the same time that
22 they were Public Trustee, and this is a terrible
23 precedent for us to establish. Mr. Kouzoukas has
24 repeatedly made clear that he is unwilling to resign
25 from the Clover Health board.

1 His responses to my questions for the record
2 actually raise new questions. Yesterday, I sent Mr.
3 Kouzoukas another letter, which I would like to enter
4 into the record, Mr. Chairman.

5 The Chairman. Without objection, so ordered.

6 [The letter appears at the end of the transcript.]

7 Senator Warren. To ask about another disturbing
8 revelation, the stock is worth about \$200,000 that he
9 received from Clover Health this year. That is nearly
10 ten times as much stock as he received in 2021 or 2022,
11 and it is set to vest next year when, if he is
12 confirmed, he would be a sitting Trustee.

13 I am deeply concerned that Clover Health appears
14 to have offered Mr. Kouzoukas this massive increase in
15 compensation after he and other company officials became
16 aware that Mr. Kouzoukas would be in the Public Trustee
17 position.

18 Now let me be clear. I understand that federal
19 law requires that Public Trustees do not belong to the
20 same political party. I do not expect to agree with the
21 Republican nominee on every policy issue. This is a
22 policy dispute. My deep reservations about Mr.
23 Kouzoukas would be the same, whether he is a Democrat or
24 a Republican.

25 Can he effectively do the job and represent the

1 public interest? As long as he remains on the board of
2 Clover Health, he cannot perform the duties of the
3 Public Trustee without being compromised by his
4 overwhelming conflicts of interest, and that is why I
5 will be voting no on his nomination, and urging others
6 to do so as well.

7 The Chairman. I thank my colleague, and I am just
8 going to respond briefly. As she knows, I very much
9 share your views with respect to these marketing scams,
10 really flagrant abuses of seniors. I saw a commercial
11 with athletes yesterday.

12 We have been pushing just in the last couple of
13 days for the Center for Medicare and Medicaid Services
14 to move administratively to go after these middlemen,
15 because these middlemen have now pulled \$6 billion out
16 of the system. So there is no question at all that the
17 points you are making with respect to the merits of this
18 case are views that I very much share.

19 With respect to the ethics questions, we asked the
20 Office of Government Ethics in particular to review Mr.
21 Kouzoukas, found that he did not have to resign, and you
22 have convinced me, I would say to my colleague, that we
23 ought to go and take a look about the issue generally,
24 of strengthening the ethics rules in this specific
25 regard.

1 As you know, when we first talked about it, I had
2 our counsel and folks meet with yours, and we looked at
3 our options, and again the Office of Government Ethics
4 has reviewed it. But I want to say (a), on the
5 substance of the policy, I very much share your view
6 about stopping these Medicare rip-offs, and I have been
7 doing this since I was director of the Gray Panthers,
8 trying to get out in front of the bad guys.

9 I agree with you on the merits. I will go with
10 you as we look at the ethics laws and ways in which we
11 could strengthen them to address some of your concerns.
12 But I want my colleagues to know that we have had the
13 Government Ethics Office review this, and that is the
14 current law. I happen to share your view that we ought
15 to be reviewing it. But that is the law today, and let
16 me have -- my colleague have the last word on this.

17 Senator Warren. You know, I just want to say, I
18 do not think they are wrong and I do not read the law
19 the same way. But that is not the point. We are not in
20 here to vote on the least possible standard. We are the
21 ones who have to make a recommendation to the rest of
22 the Senate about whether or not to confirm this person,
23 and these conflicts are real and it matters.

24 We are putting this person up as someone the
25 public can trust to watch out for their interests, at

1 the same time that he receives somewhere around or over
2 \$100,000 from a private Medicare Advantage outfit and
3 for which he got some huge bonus of stock, evidently
4 around the time that it appeared that he was going to be
5 in government service, simultaneously with his serving
6 on the board of this private Medicare Advantage company.

7 Our responsibility is to decide do we think this
8 is good enough for the public. It is not whether or not
9 some distant group, somebody else in government, the
10 Office of Government Affairs (sic) says well, we think
11 he squeaks by the legal standard. The question is
12 whether we think it is right.

13 I just think this is fundamentally wrong, and I
14 think it is a terrible precedent for us to set, that you
15 can serve in a public position at the same time you are
16 taking money from an insurance company that will be very
17 much affected by what you say in your public position.
18 I just think that is wrong.

19 The Chairman. I will also say that if you look at
20 what goes on around here day-in and day-out, I think I
21 join you watchdogging nominees after they get positioned
22 as much as anybody on the plant, because I share you
23 view that that is our job.

24 One of our functions is to write laws. Ever since
25 I was a Gray Panther, I thought it was more important to

1 watchdog what goes on. So these two nominees, I want to
2 assure my colleague, are going to get watched by you,
3 and I am going to join you every step of the way.

4 Let us see if other colleagues would like to make
5 a statement. Otherwise, we will adjourn until ten
6 o'clock, and for those of you that follow the Senate,
7 you are going to have a real treat when we come back at
8 ten o'clock, and Senator Cardin will be intimately
9 involved at that time. We will come back at ten
10 o'clock. Thanks.

11 [Whereupon, at 9:51 a.m., the meeting was
12 recessed.]

13

14 The open executive session was reconvened,
15 pursuant to notice, on Thursday, November 2, 2023, at 1
16 p.m., in Room S-219, U.S. Capitol, Hon. Ron Wyden
17 (chairman of the committee) presiding.

18

19 The Chairman. The committee will come to order.

20 We now have a quorum. I move that we favorably
21 report the nomination of Marjorie Rollinson.

22 Senator Stabenow. Seconded.

23 The Chairman. The Clerk will call the roll.

24 The Clerk. Ms. Stabenow?

25 Senator Stabenow. Aye.

1 The Clerk. Ms. Cantwell?
2 Senator Cantwell. Aye.
3 The Clerk. Mr. Menendez?
4 Senator Menendez. Aye.
5 The Clerk. Mr. Carper?
6 Senator Carper. Aye.
7 The Clerk. Mr. Cardin?
8 Senator Cardin. Aye.
9 The Clerk. Mr. Brown?
10 Senator Brown. Aye.
11 The Clerk. Mr. Bennet?
12 Senator Bennet. Aye.
13 The Clerk. Mr. Casey?
14 Senator Casey. Aye.
15 The Clerk. Mr. Warner?
16 Senator Warner. Aye.
17 The Clerk. Mr. Whitehouse?
18 Senator Whitehouse. Aye.
19 The Clerk. Ms. Hassan?
20 Senator Hassan. Aye.
21 The Clerk. Ms. Cortez Masto?
22 Senator Cortez Masto. Aye.
23 The Clerk. Ms. Warren?
24 Senator Warren. Aye.
25 The Clerk. Mr. Crapo?

1 Senator Crapo. Nay.
2 The Clerk. Mr. Grassley?
3 Senator Grassley. Nay.
4 The Clerk. Mr. Cornyn?
5 Senator Cornyn. Nay.
6 The Clerk. Mr. Thune?
7 Senator Thune. Nay.
8 The Clerk. Mr. Scott?
9 Senator Crapo. Nay by proxy.
10 The Clerk. Mr. Cassidy?
11 Senator Cassidy. Aye.
12 The Clerk. Mr. Lankford?
13 Senator Lankford. Nay.
14 The Clerk. Mr. Daines?
15 Senator Crapo. Nay by proxy.
16 The Clerk. Mr. Young?
17 Senator Young. Nay.
18 The Clerk. Mr. Barrasso?
19 Senator Crapo. Nay by proxy.
20 The Clerk. Mr. Johnson?
21 Senator Crapo. Nay by proxy.
22 The Clerk. Mr. Tillis?
23 Senator Crapo. Aye by proxy.
24 The Clerk. Mrs. Blackburn?
25 Senator Crapo. Nay by proxy.

1 The Clerk. Mr. Chairman?

2 The Chairman. Aye.

3 The clerk will announce the vote.

4 The Clerk. Mr. Chairman, the final tally is 16
5 ayes and 11 nays.

6 The Chairman. The "ayes" have it.

7 I now move to the nomination of Demetrios L.
8 Kouzoukas.

9 Senator Crapo. Seconded.

10 The Chairman. The Clerk will call the roll.

11 The Clerk. Ms. Stabenow?

12 Senator Stabenow. Aye.

13 The Clerk. Ms. Cantwell?

14 Senator Cantwell. Aye.

15 The Clerk. Mr. Menendez?

16 Senator Menendez. Nay.

17 The Clerk. Mr. Carper?

18 Senator Carper. Aye.

19 The Clerk. Mr. Cardin?

20 Senator Cardin. Nay.

21 The Clerk. Mr. Brown?

22 Senator Brown. Aye.

23 The Clerk. Mr. Bennet?

24 Senator Bennet. Aye.

25 The Clerk. Mr. Casey?

1 Senator Casey. Aye.
2 The Clerk. Mr. Warner?
3 Senator Warner. Aye.
4 The Clerk. Mr. Whitehouse?
5 Senator Whitehouse. Nay.
6 The Clerk. Ms. Hassan?
7 Senator Hassan. Aye.
8 The Clerk. Ms. Cortez Masto?
9 Senator Cortez Masto. Aye.
10 The Clerk. Ms. Warren?
11 Senator Warren. Nay.
12 The Clerk. Mr. Crapo?
13 Senator Crapo. Aye.
14 The Clerk. Mr. Grassley?
15 Senator Grassley. Aye.
16 The Clerk. Mr. Cornyn?
17 Senator Cornyn. Aye.
18 The Clerk. Mr. Thune?
19 Senator Thune. Aye.
20 The Clerk. Mr. Scott?
21 Senator Crapo. Aye by proxy.
22 The Clerk. Mr. Cassidy?
23 Senator Cassidy. Aye.
24 The Clerk. Mr. Lankford?
25 Senator Lankford. Aye.

1 The Clerk. Mr. Daines?

2 Senator Crapo. Aye.

3 The Clerk. Mr. Young?

4 Senator Young. Aye.

5 The Clerk. Mr. Barrasso?

6 Senator Crapo. Aye.

7 The Clerk. Mr. Johnson?

8 Senator Crapo. Aye by proxy.

9 The Clerk. Mr. Tillis?

10 Senator Crapo. Aye by proxy.

11 The Clerk. Mrs. Blackburn?

12 Senator Crapo. Aye by proxy.

13 The Clerk. Mr. Chairman?

14 The Chairman. Aye.

15 The clerk will announce the vote.

16 The Clerk. Mr. Chairman, the final tally is 23
17 ayes and 4 nays.

18 The Chairman. The "ayes" have it.

19 Finally, I move to the nomination of Patricia Hart
20 Neuman.

21 Senator Crapo. Seconded.

22 The Chairman. The Clerk will call the roll.

23 The Clerk. Ms. Stabenow?

24 Senator Stabenow. Aye.

25 The Clerk. Ms. Cantwell?

1 Senator Cantwell. Aye.
2 The Clerk. Mr. Menendez?
3 Senator Menendez. Aye.
4 The Clerk. Mr. Carper?
5 Senator Carper. Aye.
6 The Clerk. Mr. Cardin?
7 Senator Cardin. Aye.
8 The Clerk. Mr. Brown?
9 Senator Brown. Aye.
10 The Clerk. Mr. Bennet?
11 Senator Bennet. Aye.
12 The Clerk. Mr. Casey?
13 Senator Casey. Aye.
14 The Clerk. Mr. Warner?
15 Senator Warner. Aye.
16 The Clerk. Mr. Whitehouse?
17 Senator Whitehouse. Aye.
18 The Clerk. Ms. Hassan?
19 Senator Hassan. Aye.
20 The Clerk. Ms. Cortez Masto?
21 Senator Cortez Masto. Aye.
22 The Clerk. Ms. Warren?
23 Senator Warren. Aye.
24 The Clerk. Mr. Crapo?
25 Senator Crapo. Aye.

1 The Clerk. Mr. Grassley?
2 Senator Grassley. Aye.
3 The Clerk. Mr. Cornyn?
4 Senator Cornyn. Aye.
5 The Clerk. Mr. Thune?
6 Senator Thune. Aye.
7 The Clerk. Mr. Scott?
8 Senator Crapo. Nay by proxy.
9 The Clerk. Mr. Cassidy?
10 Senator Cassidy. Nay.
11 The Clerk. Mr. Lankford?
12 Senator Lankford. Aye.
13 The Clerk. Mr. Daines?
14 Senator Crapo. Aye by proxy.
15 The Clerk. Mr. Young?
16 Senator Young. Aye.
17 The Clerk. Mr. Barrasso?
18 Senator Crapo. Aye by proxy.
19 The Clerk. Mr. Johnson?
20 Senator Crapo. Aye by proxy.
21 The Clerk. Mr. Tillis?
22 Senator Crapo. Aye by proxy.
23 The Clerk. Mrs. Blackburn?
24 Senator Crapo. Aye by proxy.
25 The Clerk. Mr. Chairman?

1 The Chairman. Aye.

2 The Clerk will announce the vote.

3 The Clerk. Mr. Chairman, the final tally is 25
4 ayes and 2 nays.

5 The Chairman. The "ayes" have it.

6 I thank my colleagues for their time. The
7 committee is adjourned.

8 [Whereupon, at 1:43 p.m., the meeting was
9 concluded.]

10

| | STATEMENT OF: | PAGE |
|---|--------------------------------|------|
| 1 | | |
| 2 | Hon. Ron Wyden, | 3 |
| 3 | a U.S. Senator from Oregon, | |
| 4 | chairman, Committee on Finance | |
| 5 | | |
| 6 | Hon. Mike Crapo, | 8 |
| 7 | a U.S. Senator from Idaho | |

SUBMITTED BY CHAIRMAN WYDEN



October 25, 2023

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Chairman Wyden, Ranking Member Crapo, and Members of the Committee:

We urge the Senate Committee on Finance to swiftly schedule a hearing to vote on the nominations of Mr. Demetrios Kouzoukas and Dr. Patricia Neuman as the public trustees to the Boards of the Social Security and Medicare Trust Funds. These positions have been vacant since 2015, violating the intent of federal law and depriving Congress and the public of key objective insights into the health of the trust funds.

It is imperative that the vacancies are filled expeditiously to ensure the proper monitoring and safeguarding of the funds that help provide a secure financial foundation for millions of Americans. This is especially true at a time when both programs face significant long-range financing challenges.

The Boards of Trustees of the Social Security and Medicare Trust Funds provide crucial oversight of Social Security and Medicare. The 1983 Social Security Amendments introduced the public trustees to serve as independent voices on the boards. Detached from partisan politics and the perspective of any particular administration, the two public trustees report on the status of the trust funds to Congress and the American people, helping to preserve public confidence in the financial management of Medicare and Social Security.

The public trustees do not create policy or make policy recommendations. Rather, the public trustees are tasked with overseeing the trust funds and reporting on the status of the funds to Congress and the American people. The public trustees work with the trustees and the staffs of the Medicare and Social Security programs to ensure the methodological rigor, objectivity, and integrity of the annual reports and other information provided to Congress and the public. The public trustees' role is essential to maintaining the public's confidence that the Medicare and Social Security programs are appropriately managed and financially sound.



We urge the Committee on Finance to prioritize scheduling a committee vote to consider these nominations. Further delay in filling them imposes a significant and avoidable disservice to Congress and the American people.

Sincerely,

Joseph Antos

Wilson H. Taylor Scholar in Health Care and Retirement Policy
American Enterprise Institute

Kenneth Apfel

Professor of Practice Emeritus
University of Maryland, College Park
Former Commissioner, Social Security Administration

Andrew Biggs

Senior Fellow
American Enterprise Institute

Charles P. Blahous III

J. Fish and Lillian F. Smith Chair
Mercatus Center at George Mason University
Former Public Trustee

James C. Capretta

Senior Fellow and Milton Friedman Chair
American Enterprise Institute

Nancy-Ann DeParle

Former Deputy Chief of Staff, White House
Former CMS Administrator

Douglas Elmendorf

Dean, Harvard Kennedy School
Former Director, Congressional Budget Office

Jason J. Fichtner

Chief Economist
Bipartisan Policy Center



Robert Greenstein
Visiting Fellow
Brookings Institution

Douglas Holtz-Eakin
President, American Action Forum
Former Director, Congressional Budget Office

Mark Pauly
Professor Emeritus of Health Care Management and Economics
University of Pennsylvania

Wendell Primus
Visiting Fellow
Brookings Institution

Jack Smalligan
Senior Policy Fellow
Urban Institute

Eugene Steuerle
Institute Fellow and Richard B. Fisher Chair
Urban Institute
Former Deputy Assistant Secretary of the Treasury for Tax Analysis

Robert D. Reischauer
President Emeritus and Distinguished Institute Fellow
Urban Institute
Former Public Trustee

Gail Wilensky
Senior Fellow
Project Hope
Former Administrator, Centers for Medicare and Medicaid Services

Note: The signatories above have signed this letter in their individual capacities. Their signatures do not represent the endorsement of the institutions with which they are affiliated.

SUBMITTED BY SENATOR WARREN

ELIZABETH WARREN
MASSACHUSETTS

COMMITTEES:
BANKING, HOUSING, AND URBAN AFFAIRS
ARMED SERVICES
FINANCE
SPECIAL COMMITTEE ON AGING

United States Senate

November 1, 2023

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Demetrios Kouzoukas
Board Member, Board of Directors
Clover Health Investments, Corp.
3401 Mallory Ln., Suite 210
Franklin, TN 37067

Dear Mr. Kouzoukas:

The Senate Finance Committee has scheduled a vote later this week on your nomination to be a Public Trustee of the Social Security and Medicare Trust Funds. I have profound concerns about the inherent conflict of interest that you will face if confirmed,¹ and raised this with you at your nomination hearing.² Specifically, you serve as a Board Member of Clover Health, which received over \$1 billion in revenue from the Medicare Advantage program in 2022.³ For this role, you have personally received hundreds of thousands of dollars in compensation since 2021 — and are scheduled to receive hundreds of thousands of dollars in additional compensation in the coming year. But as a Public Trustee, you would have a duty to act in the interest of the American people while making projections and recommendations about the financial status of the Medicare trust funds.⁴ There is an irreconcilable conflict between your role at Clover Health — which has richly rewarded you for your efforts to help the company enrich itself at Medicare's expense — and your role as a Public Trustee.

You recently provided my office with answers to Questions for the Record submitted after your nomination hearing. Those answers contain new information that raises additional concerns about the extent of your conflict and your understanding of the role of the Public Trustees.⁵ Given these concerns, I am again reiterating my request that you commit to resigning from your position at Clover Health if you are confirmed. If you do not do so, you should withdraw your nomination.

¹ Letter from Senator Elizabeth Warren to Demetrios Kouzoukas, September 27, 2023,

<https://www.warren.senate.gov/imo/media/doc/2023.09.27%20Letter%20to%20Kouzoukas.pdf>

² U.S. Senate Committee on Finance, "Hearing to Consider the Nominations of Marjorie A. Rollinson, ... Patricia Hart Neuman, ... and Demetrios L. Kouzoukas. . . ." September 28, 2023, <https://www.finance.senate.gov/hearings/hearing-to-consider-the-nominations-of-marjorie-a-rollinson-of-virginia-to-be-chief-counsel-for-the-internal-revenue-service-and-an-assistant-general-counsel-in-the-department-of-the-treasury...>

³ Securities and Exchange Commission, "Clover Health Investments, Corp.," Form 10-K, pp. 58 and 39, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1801170/000180117023000015/clov-20221231.htm>.

⁴ Office of Government Ethics, Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e) for Demetrios Kouzoukas, January 5, 2023, [On File with the Office of U.S. Senator Elizabeth Warren].

⁵ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, "Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas," provided to Senator Elizabeth Warren on October 27, 2023,

https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_demetrios_kouzoukas.pdf.

New Information about Your Financial Rewards from Clover Health

First, your responses provide new information about the financial rewards you are expected to receive from Clover Health this year and next. This information was not included on the Public Financial Disclosure that you filed with the Office of Government Ethics in October 2022,⁶ and at this time I am not aware of any instance in which you have publicly disclosed these payments. Specifically, you wrote that, for calendar year 2023, “I received \$70,000 and expect to receive approximately \$24,000. I also received 213,576 restricted stock units (including 36,585 units on a one-time basis) which would be considered income for 2024 upon vesting after a year of continuous service.”⁷

This revelation is significant for two reasons. First, it reveals that you received a vast trove of company stock this year — 213,576 shares. This was an order of magnitude more than you received in 2021 (25,608 shares) or 2022 (20,271 shares), and would be worth nearly \$200,000 at the stock’s value as of today.⁸ It also appears that the company offered you this massive increase in compensation after you and other company officials became aware that you would be nominated for the Public Trustee position. And this stock would vest in 2024 — providing you access to the full value of this reward from Clover Health at the same time you would be serving as a Public Trustee.

New Information about Trustees’ Discussion of Medicare Advantage

Second, in response to my specific question about whether your decisions as a Public Trustee could “cut into the profitability of Clover,” you dodged the question by stating that “to my knowledge, the Trustees Reports have not discussed topics like ‘overpayments’ to Medicare Advantage plans.”⁹ But this is not correct. For example, the 2018 Trustees report states that:

Payment rates to private health plans are higher than projected in last year’s report beginning in 2018. This result is primarily due to higher risk scores and increased coding by plans than assumed in the 2017 report. The net effect of this and other minor modifications is a –0.08-percent change in the actuarial balance.¹⁰

⁶ Office of Government Ethics, Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e) for Demetrios Kouzoukas, January 5, 2023, [On File with the Office of U.S. Senator Elizabeth Warren].

⁷ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023,

https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_demetrios_kouzoukas.pdf.

⁸ Clover Health Investments, Corp. Class A Common Stock, <https://www.nasdaq.com/market-activity/stocks/clov>. The stock closed at \$0.9144 on October 30, 2023.

⁹ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023,

https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_demetrios_kouzoukas.pdf.

¹⁰ Centers for Medicare and Medicaid Services, 2018 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, p. 71, June 2018, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2018.pdf>.

Similarly, the 2023 report states that:

Benchmark growth for years 2024 and later is estimated to be slightly higher, in general, than the growth rate of expenditures for beneficiaries enrolled in Medicare fee-for-service, due in part to quality bonus payments that are projected to increase slightly for 2024 and later years and changes in risk scores that are projected to grow faster for the MA population.¹¹

Indeed, the Trustees' reports in 2011, 2012, 2013, 2014, 2015, 2018, 2019, 2020, 2021, 2022, and 2023 all discuss Medicare Advantage payment rates, risks scores, or quality bonus payments — all issues that directly relate to overpayments and would directly impact Clover Health.

Your refusal to acknowledge this important component of the Trustees' report reveals that you are either unaware of the full scope of your conflicts of interest, or unwilling to acknowledge them. And if you are unable to identify or acknowledge your conflicts, they cannot be resolved.

New Information about the Role of the Trustees

One way that you have attempted to address your conflicts is by claiming that the Trustees “do not make policy in any way.”¹² But here, you appear to be playing coy, seeking an important role as a Public Trustee of the Social Security and Medicare Trust Funds while insisting at the same time that you would merely be a mute observer in that role. But you cannot have it both ways: you cannot claim that the opportunity to be considered for “this important position” is “meaningful and humbling”¹³ while insisting that you and others who fill the role will have no meaningful power or authority.

You are wrong to imply that the Public Trustees have no role in the policy process. As described by the Social Security Administration, the Trustees role includes “[r]eview[ing] policies followed in managing trust funds and recommend[ing] changes.”¹⁴ Indeed, your own testimony notes that, while the Public Trustees are “independent of administering the programs day to day,” “[t]he work of the public trustees is essentially to help ascertain and publish the[] facts... includ[ing] witnessing the objectivity and integrity of the assumptions and calculations as well as participating in the associated internal dialogue and deliberations.”¹⁵

¹¹ Centers for Medicare and Medicaid Services, 2023 Annual Report of The Boards of Trustees of The Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, pp. 161-162, June 2023, <https://www.cms.gov/oact/tr/2023>.

¹² Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023, https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_demetrios_kouzoukas.pdf.

¹³ Written Testimony of Demetrios Kouzoukas to the U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas” September 28, 2023, https://www.finance.senate.gov/imo/media/doc/0928_kouzoukas_testimony.pdf.

¹⁴ Social Security Administration, “Social Security/Medicare Trustees,” <https://www.ssa.gov/history/reports/trustees/historypt.html>.

¹⁵ Written Testimony of Demetrios Kouzoukas to the U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas” September 28, 2023, https://www.finance.senate.gov/imo/media/doc/0928_kouzoukas_testimony.pdf.

Your answers to my Questions for the Record provide further detail on the role, indicating that “the public trustees are members of the public who serve the function of informing... policymakers and the public about the size of any trust fund deficits that would need to be resolved in order to avert program insolvency.”¹⁶ You also described the role in an answer to a question from Chair Wyden, stating that the role of the trustees is “to help provide information and data regarding the fiscal and actuarial status and future of the programs.”¹⁷

What you are describing is a process in which you — a conflicted Trustee — would have special access to “participat[e] in... deliberations”¹⁸ and “provide information and data”¹⁹ to the Centers for Medicare and Medicaid Services (CMS), whose officials are responsible for policymaking on payments to Medicare Advantage plans and whose Administrator serves as Secretary of the Medicare Board of Trustees — while denying your role in the outcome. This is a textbook case of how conflicts of interest impact the policy process — and why you should not be put in such a position.

Conclusion

The conflicts of interest between your role as a highly paid Clover Health board member and a Public Trustee cannot be reconciled. Given this conflict, I ask that you commit to leaving the Clover Board if confirmed, or withdraw your nomination. I also ask that you provide answers to the following questions no later than November 15, 2023, and, if your nomination is approved in the Senate Finance Committee, prior to any vote of the full Senate on confirmation:

1. Have you reported your 2023 income, and the expected income from the 2024 vesting of your stock awards, to the Office of Government Ethics?
2. Does your ethics agreement with the Office of Government Ethics reflect the 2023 income and 2024 stock vesting? If so, how are these conflicts addressed in that ethics agreement?
3. If you are confirmed later this year, and the value of Clover Health stock increases, will that make your stock holdings more valuable upon vesting? Conversely, if the value of Clover Health stock decreases, will that make your stock holdings less valuable upon vesting?
4. When did you become aware that you would be nominated as a Public Trustee? Did you discuss this pending nomination with any Clover Health officials?
5. When did Clover Health officials determine your 2023 compensation, including the 2023 stock award?

¹⁶ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023.

¹⁷ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023.

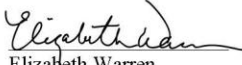
¹⁸ Written testimony of Demetrios L. Kouzoukas to the U.S. Senate Committee on Finance, September 28, 2023.

¹⁹ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023.

²⁰ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, “Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas,” provided to Senator Elizabeth Warren on October 27, 2023.

6. Do CMS policy decisions on Medicare Advantage risk adjustment have a potential impact on Clover Health's financial performance?
7. Do CMS policy decisions on Medicare Advantage bonus payments have a potential impact on Clover Health's financial performance?
8. How do you intend to "participat[e] in the associated internal dialogue and deliberations"²⁰ surrounding the Trustees report? With whom will you be having a dialogue? With whom will you be deliberating, and what will you be deliberating about?
9. What "information and data regarding the fiscal and actuarial status and future of the programs"²¹ will you be providing in your role as a Public Trustee? To whom will you be providing this data?
10. The responsibilities of the Public Trustees include "[r]eview[ing] policies followed in managing trust funds and recommend[ing] changes."²² Do you intend to fulfill this responsibility if you are confirmed? Do you agree that providing these recommendations would potentially have an impact on policies adopted by CMS?

Sincerely,


Elizabeth Warren
United States Senator

²⁰ Written testimony of Demetrios L. Kouzoukas to the U.S. Senate Committee on Finance, September 28, 2023, https://www.finance.senate.gov/imo/media/doc/0928_kouzoukas_testimony.pdf.

²¹ Questions for the Record for Demetrios Kouzoukas, U.S. Senate Committee on Finance, "Hearing to Consider the Nominations of Marjorie A. Rollinson, Patricia Hart Neuman, and Demetrios L. Kouzoukas," provided to Senator Elizabeth Warren on October 27, 2023, https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_demetrios_kouzoukas.pdf.

²² Social Security Administration, "Social Security/Medicare Trustees," <https://www.ssa.gov/history/reports/trustees/historypt.html>.

November 15, 2023

The Honorable Elizabeth Warren
309 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Warren:

Thank you for your November 1, 2023 letter relating to my nomination to serve as a member of the Boards of Trustees for the Social Security and Medicare Trust Funds. I am grateful to be considered by the Senate as one of two members Congress has specified be outside government to serve in this role.

In accordance with the company's policies, I receive compensation, all of which is publicly reported by the company, for my service as a director at Clover Health in two parts. The first part is a cash retainer. (My 2022 Financial Disclosure Report lists, per the instructions for the relevant line, the amounts paid for this part in 2021 and in 2022 through the filing date for a total of \$103,250.) I also receive restricted stock units which are valued at the same amount (\$200,000) annually. The number of units received each year varies because the value of the stock varies from year to year. This is why the number of units differs by an order of magnitude between 2022 and 2023. All of the restricted stock units I received in 2023 (except 36,585 units, as explained below) were pursuant to a formula in a company policy adopted before my role with the company began and before I was nominated to serve as a Public Trustee, and the 36,585 units originated before the nomination and was also reported to and reviewed by the office of the Social Security Administration (SSA)'s Designated Agency Ethics Official (DAEO). Moreover, as set forth in the company's public reporting, the total number of units I have received (259,455) is very much in line with that received (251,462) by the other director who joined around the same time.

Below are additional answers to the questions you asked:

1. Have you reported your 2023 income, and the expected income from the 2024 vesting of your stock awards, to the Office of Government Ethics?

As part of the nomination process, the office of SSA's DAEO, the office of the U.S. Department of Health and Human Services' DAEO, and the U.S. Office of Government Ethics thoroughly reviewed my financial holdings (including salaries, equity compensation, and savings) and private sector employment and positions. I reported these holdings (including all salary and equity compensation from all sources) on a financial disclosure form which I signed on October 6, 2022. I also reported to the office of the SSA's DAEO the 36,585 units ultimately received for 2023 on a one-time basis. Other than these units, which were reviewed by the office of the SSA's DAEO, the value of units for 2023 was the same as it was in 2022. It is my understanding from the DAEO's office that there is no change in law or regulation that would make the DAEO's conclusion with respect to any of the units dependent on the year in which income is paid or units vest.

2. Does your ethics agreement with the Office of Government Ethics reflect the 2023 income and 2024 stock vesting? If so, how are these conflicts addressed in that ethics agreement?

Based on this financial disclosure form, SSA drafted and the Office of Government Ethics approved the ethics agreement I later signed. That agreement specified the positions that “I *will* retain” (emphasis added) and then referred, “[w]ith regard to these entities,” to the “financial interests of the entity or the underlying holding of the entities.” SSA’s DAEO forwarded that agreement to the White House and Senate along with a letter stating that he found “no conflict of interest or other problem under applicable laws and regulations” between my disclosures and the proposed position. The DAEO also stated that “We believe that Mr. Kouzoukas’ duties as Trustee are unlikely *to involve* the entities in which he has assets, income, and relationships as listed on the OGE Form 278c that he filed” (emphasis added). As such, these interests are ones for which the DAEO found “no conflict of interest or other problem under applicable laws and regulations.” It is my understanding from the DAEO’s office that there is no change in law or regulation that would make this conclusion dependent on the year in which income is paid or units vest. In addition, the DAEO’s office concluded that no changes to the ethics agreement were required based on the updated number of units received in 2023.

As part of the referenced agreement, I agreed I would not, if confirmed, personally and substantially participate in particular matters that would have a direct and predictable effect on my financial interests, or the financial interests of an entity whose interests are imputed to me, unless I received a waiver or qualified for a regulatory exemption. I also agreed that, if I am confirmed, and circumstances arise where an actual or potential conflict may exist during my appointment, I will consult with SSA’s DAEO’s office and take measures necessary to resolve such conflict, including recusal from the matter. It is my understanding from the DAEO’s office that, generally, the content of the Trustees Reports do not meet the definition of “particular matter” nor do the reports have a direct and predicable effect on the Medicare Advantage program.

3. If you are confirmed later this year, and the value of Clover Health stock increases, will that make your stock holdings more valuable upon vesting? Conversely, if the value of Clover Health stock decreases, will that make your stock holdings less valuable upon vesting?

My understanding is that restricted stock units for publicly traded companies are valued, when they vest, at the stock price, like other shares, including with respect to increases and decreases.

4. When did you become aware that you would be nominated as a Public Trustee? Did you discuss this pending nomination with any Clover Health officials?

I am grateful to President Biden and his team for the review, as part of the nomination process, of my credentials and qualifications as well as present private sector positions. I was informed on or around December 30, 2022 that President Biden would make the nomination. I first shared the news of the nomination with the company the night before or the day of the January 3, 2023 announcement.

5. When did Clover Health officials determine your 2023 compensation, including the 2023 stock award?

The company’s relevant policy (relating to non-employee directors), including the formula for determining almost all the number of restricted stock units I received in 2023, was effective January 7, 2021, before I became a director. A September 21, 2022 amendment shifted the timing to be on a date certain each year and made other technical changes. I believe that the company’s leadership notified me

around that time (September 2022) of plans to recommend, subject to the company's governance processes, a smaller number of restricted stock units on a one-time basis in recognition of time served and my role, as publicly reported, as lead independent director. After a review by the other directors which I believe ultimately took place in March 2023, I consulted with the DAEO's office with regard to these units before they were issued in May 2023 (and also publicly reported by the company), and the DAEO's office concluded that no changes to the ethics agreement were required. As set forth in the company's public reporting, the total number of units I have received (259,455) is very much in line with that received (251,462) by the other director who joined around the same time.

6. Do CMS policy decisions on Medicare Advantage risk adjustment have a potential impact on Clover Health's financial performance?

Yes, certain policy decisions relating to this topic and made by the Secretary of Health and Human Services, including the Department's operating divisions, can have an impact on plans. These decisions are not made by the Boards of Trustees for the Social Security and Medicare Trust Funds, which do not make policy in any way.

7. Do CMS policy decisions on Medicare Advantage bonus payments have a potential impact on Clover Health's financial performance?

Yes, certain policy decisions relating to this topic and made by the Secretary of Health and Human Services, including the Department's operating divisions, can have an impact on plans. These decisions are not made by the Boards of Trustees for the Social Security and Medicare Trust Funds, which do not make policy in any way.

8. How do you intend to "participat[e] in the associated internal dialogue and deliberations" surrounding the Trustees report? With whom will you be having a dialogue? With whom will you be deliberating, and what will you be deliberating about?

I expect the Public Trustees (including me, if confirmed) would engage in activities such as these mainly with the other trustees and their staff, including agency actuaries, and that these activities would pertain to the preparation and issuance of reports by the Boards of Trustees for the Social Security and Medicare Trust Funds.

9. What "information and data regarding the fiscal and actuarial status and future of the programs" will you be providing in your role as a Public Trustee? To whom will you be providing this data?

The Boards of Trustees for the Social Security and Medicare Trust Funds provide information and data via the annual Social Security and Medicare Trustees Reports. Typically, these reports contain technical information and data on topics such as fiscal accounting operations, actuarial projections, and interest rates, among other topics. The audience for the reports is policymakers (such as members of Congress) and the public.

10. The responsibilities of the Public Trustees include "[r]eview[ing] policies followed in managing trust funds and recommend[ing] changes." Do you intend to fulfill this responsibility if you are

confirmed? Do you agree that providing these recommendations would potentially have an impact on policies adopted by CMS?

If confirmed, I intend to fulfill the responsibilities of the position for which the DAEO found “no conflict of interest or other problem under applicable laws and regulations,” including those pertaining to apprising policymakers such as members of Congress of the need to address solvency issues. In so doing, the Boards of Trustees for the Social Security and Medicare Trust Funds do not make policy in any way. Also, the DAEO determined that the responsibilities of the Boards of Trustees for the Social Security and Medicare Trust Funds do not normally have a direct and predicable effect on the Medicare Advantage program (including Medicare Advantage polices adopted by the Secretary of Health & Human Services), as defined at 5 C.F.R. 2635.402(b)(1) (defining “direct and predictable effect” as specifically excluding an effect where the “chain of causation is attenuated or is contingent upon the occurrence of events that are speculative or that are independent of, and unrelated to, the matter”). If the Board of Trustees determined that it was necessary to provide specific recommendations for legislative or regulatory changes that constitute an actual or potential conflict of interest, I would consult with the DAEO’s office and take measures necessary to resolve such conflict, including recusal from the matter.

If given the opportunity, I look forward to devoting my collective judgement and expertise afforded by my public and private sector experience to benefit the people served by the Board of Trustees for the Social Security and Medicare Trust Funds.

Sincerely,



Demetrios L. Kouzoukas