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CONTACT: [Aaron Fobes](#) , [Julia Lawless](#)
(202) 224-4515

Hatch Statement at Finance Committee Hearing on Nomination of Sylvia Mathews Burwell to Head HHS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing on the nomination of Sylvia Mathews Burwell to be Secretary of the Department of Health and Human Services (HHS):

I want to thank Chairman Wyden for convening this hearing to consider the nomination of Sylvia Mathews Burwell to serve as Secretary of the Department of Health and Human Services.

And, I want to thank Director Burwell for her willingness to serve in this capacity.

Director Burwell, let me start by saying something that I think you already know: If you are confirmed to this position, you will have your work cut out for you.

The size and scope of the Department of Health and Human Services surpasses that of any other federal cabinet-level Department. The HHS fiscal year 2014 budget totals almost a trillion dollars, which makes it larger than that of even the Department of Defense.

More importantly, HHS touches the lives of hundreds of millions of Americans.

From cradle to grave, HHS oversees many programs, from finding and approving new treatments for diseases, to providing a safety net for those who have run out of other options. The agencies under the HHS umbrella include the National Institutes for Health, the Food and Drug Administration, the Centers for Disease Control and the Centers for Medicare & Medicaid Services, or CMS.

CMS alone is the world's largest health insurer, with an annual budget of roughly \$860 billion.

While I believe you have the qualifications to do the job, there is still much that you will need to do in order to assure members of this committee that HHS is heading in the right

direction and that your leadership will help steer the agency through the very turbulent times that lie ahead.

One of the greatest challenges facing HHS is shoring up the federal and state-based health insurance exchanges. Ensuring that the exchanges are operating efficiently and effectively will be one of your biggest challenges. Recent reports of the numerous issues being faced by the state exchanges attempting to implement the law have been cause for great concern among many members of Congress, including some on this committee.

As part of the Affordable Care Act, states are required to have an online healthcare exchange where citizens can go and shop for health insurance. States have the option of either building their own exchange, using the exchange provided by the federal government, or a hybrid.

Every state was given a \$1 million grant for the purpose of determining what type of exchange they would implement. Additional grants for were given in two stages for those states who were building all or part of their own healthcare exchange.

HHS also awarded seven early innovator grants to states who quickly decided to build their own exchange in order to help support the development and implementation of necessary IT systems. In total, HHS gave \$4.7 billion to help states build their exchanges.

What is troubling is that at least seven states and the District of Columbia have failed to build a successful website and exchange.

These seven failing states received more than \$1.25 billion dollars from HHS to build their exchanges. That is a huge amount of taxpayer dollars that has apparently been spent with little or no accountability. Now, many of these states are looking to rebuild their systems and are seeking additional funds from the federal government.

That is why today I am joining Senator Barrasso in introducing The State Exchange Accountability Act. This bill requires that states who operated a state-based exchange in 2014 and then decided to abandon that exchange to repay all of the establishment and early innovator grants they received from HHS.

In addition to overseeing this massive new expansion of benefits the exchanges have created, you will also be charged with helping to ensure the longevity and solvency of the existing Medicare trust fund, which is projected to go bankrupt in 2024.

All told, between now and 2030, 76 million baby boomers will become eligible for Medicare.

Even factoring in deaths over that period, the program will grow from approximately 47 million beneficiaries today to roughly 80 million in 2030.

Maintaining the solvency of the Medicare program while continuing to provide care for an ever increasing beneficiary base is going to require creative solutions and a skillful Secretary at the helm working with CMS.

Finally, one of the most important responsibilities that you have to this committee is to be responsive.

I have heard several commitments made by nominees in these confirmation hearings about providing timely and substantive responses.

More often than not, I have been deeply disappointed. So I hope today, that your commitment will stand the test of time beyond your confirmation, because words and promises matter to me.

I hope that you will be up to the challenge.

Like I said, overseeing the complex infrastructure of a Department like HHS is not a job for the faint of heart.

I wish you the best of luck as you work to address these challenges and as you continue going through the confirmation process.

You will need it.

Thank you, Mr. Chairman.

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