Hearing on the President's Fiscal Year 2015 Budget Proposal with U.S. Department of Health and Human Services Secretary Kathleen Sebelius

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HEARING

BEFORE THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

March 12, 2014

SERIAL 113-FC16

Printed for the use of the Committee on Ways and Means

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C O N T E N T S

WITNESSES

The Honorable Kathleen Sebelius
Secretary, United States Department of Health and Human Services

Witness Statement [PDF]

Hearing on the President's Fiscal Year 2015 Budget Proposal with U.S. Department of Health and Human Services Secretary Kathleen Sebelius

U.S. House of Representatives,
Committee on Ways and Means,
Washington, D.C.

The committee met, pursuant to call, at 10:00 a.m., in Room 1100, Longworth House Office Building, Hon. Dave Camp [chairman of the committee] presiding. Advisory

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Chairman Camp. Good morning. The committee will come to order.

Secretary Sebelius, thank you for joining us today for a discussion of the President's 2015 budget.

It has been 4 years since Obamacare became the law of the land, and it has been a bumpy road since then. Millions of Americans are paying more for health care as a result of the law.

The committee will come to order. Please take your seats.

It has been 4 years since Obamacare became the law of the land, and it has been a bumpy road since then. Millions of Americans are paying more for health care as a result of the law, a trend which will only continue to spike as a result of the failed healthcare exchange launch. All across the country, low and middle-class income Americans are seeing smaller paychecks and working less. Towns, schools, restaurants, and businesses are struggling to comply with the law, finding that they are forced to cut hours or hold off on hiring. Millions of Americans have discovered the plan they have and like has been canceled or they can no longer rely on the care from their local doctor or hospital.

I hear about how the healthcare law is affecting communities like my hometown of Midland, Michigan, and how families are dealing with the uncertainty this has brought them and their children.

Unfortunately, despite Republican attempts to provide Americans relief from the burdens of this law, it appears that this is a road map of what is to come. We now know, after the failed launch of the exchanges, that since the administration was unable to meet their enrollment targets and failed to sign up enough young and healthy individuals, premiums will be higher next year. The Congressional Budget Office has also found that compared to initial estimates, fewer individuals will find healthcare coverage through the exchanges, Medicaid, or employer-sponsored insurance.

And while Democrat leaders promised that Obamacare would create 4 million jobs, 4,000 almost immediately, the CBO projects fewer Americans will be working as a result of Obamacare. In fact, the U.S. economy will see a decline in the number of full-time equivalent workers of about 2 million in 2017, rising

to about 2.5 million in 2024, according to CBO. CBO went on to emphasize this should mean, and I am quoting, "The largest declines in labor supply will probably occur among lower wage workers."

Secretary Sebelius, you have stated that there is absolutely no evidence, and every economist will tell you this, that there is any job loss related to the Affordable Care Act. But the evidence is everywhere. We hear it from employers back home, from testimony in front of Congress, and we read about it in the papers weekly.

The law is not working as was promised, and yet the President's budget doubles down on this law and requests another $1.8 billion for its implementation. With so many unanswered questions, it is hard to understand how or why Congress would approve such a request. I am hopeful you will shed some light on those questions and provide some answers today, basic questions such as how much taxpayer money has been spent thus far and where did it come from, how much taxpayer money will be spent on subsidies for individuals outside of the exchange, how much did the failed launch of the exchange cost taxpayers, how many people have actually paid a premium, and how many previously uninsured Americans have signed up for Obamacare?

And increasingly, we must all ask the question, when is the next delay or next administrative change in the law coming? It seems not a holiday goes by without a new announcement from the administration that delays some part of Obamacare.

Notably missing from this budget is any mention on how we can secure the promise of Medicare for seniors in the future. In just a few short years, Medicare will go broke. This committee has released numerous discussion drafts, based on bipartisan ideas, to secure Medicare for current and future seniors, some of which were included in previous budgets from President Obama.

We have the opportunity now to work toward reforms that strengthen the program, and the longer we wait, the harder the choices we must make will be. We need to have an open dialogue between the administration and Congress on this, and I am disappointed that the administration has walked away from this commitment and seemingly provided political cover during an election year rather than offer solutions.

I appreciate your making the time to be here today, and I hope we can count on a more open, constructive dialogue between Congress and the administration if we are going to make progress on resolving the law's failures and working toward solutions for our Nation's seniors.

Before I recognize Ranking Member Levin for the purpose of an opening statement, I ask unanimous consent that all members' written statements be included in the record. And without objection, so ordered.

Chairman Camp. I now recognize Ranking Member Levin for his opening statement.

Mr. Levin. Thank you very much.

Madam Secretary, welcome. We really do welcome you here, a chance to have some dialogue. I hope that is what will occur. Instead of dialogue, what we have really had from the Republicans is diatribe. And we are going to see that further this week when there is an effort to take up our reform on SGR that is on a bipartisan basis and fund it with essentially the destruction of ACA.

The New York Times talks about today where the enrollment is. And it is interesting, the Republicans often used to talk about Part D and how it proceeded. The Energy and Commerce Committee is going to come out with a report this morning, and it is going to turn out that ACA enrollment as a percentage of projected enrollment is already better than Part D's voluntary enrollment. So I hope you will be able to set the record straight. As we know, it is short of the original goal. And I hope you will address that, where we are, what the figures really mean. And also you may want to comment that 3 million young adults have already

gained access to health insurance through their parents' policies, which would not have happened if it weren't for ACA.

I just want to give one example of what this has meant for people in this country. A person from Brighton, Michigan, in her thirties, has lupus, a preexisting condition. She hasn't had insurance in 6 years because it was simply too expensive. She lived in constant fear of getting sick or injured, and she said, and I quote, "There are lots of things I haven't done. I used to like to ski and mountain bike, but I know that if I broke a wrist it would cost me $10,000. It is that constant worry of what happens if." And that uncertainty ended January 1, when her new insurance plan, costing $175 a month, took effect.

The real contrast is an ad that has been running in Michigan about a cancer patient, and I won't go into the details. But essentially, she said her policy was unaffordable through the marketplace. The ad has been funded over a million dollars by Americans for Prosperity. It turns out, according to the Detroit News and others, that that ad and that statement together are just false. It turns out that this person will save more than a thousand dollars a year.

So, Madam Secretary, I hope you will use your time to acknowledge the problems with the Web site at the beginning and put in perspective what has happened since then and where we are going, and indeed, to have a dialogue. What has been most short in the discussion of ACA has been dialogue. We welcome you here and look forward to your testimony.

Chairman Camp. Well, thank you, Mr. Levin.

Chairman Camp. Again, I want to now welcome our witness, Secretary Kathleen Sebelius of the Department of Health and Human Services.

Again, thank you for being with us today. The committee has received your written statement and testimony, and it will be made part of the formal hearing record. You are now recognized for 5 minutes for your oral remarks. Thank you.

Secretary Sebelius. Well, thank you, Chairman Camp, and Ranking Member Levin, and members of the committee.

In his State of the Union, President Obama laid out values that are the backbone of his 2015 budget: opportunity for all, economic growth, and security, the notion that if you work hard and take responsibility you should have the opportunity to succeed in America. Our budget will allow our Department to move this mission forward.

We start with the fact that every child deserves the opportunity for a healthy start and a high quality learning environment. And as the President has said, research shows that one of the best investments we can make in a child's life is high quality early education. Science has clearly demonstrated over and over that the return on early childhood investments is at least seven to one, far exceeding any investment in the stock market. And the fact of the matter is these investments are good for our kids, good for our economy, and good for a family's economic security.

In every State, currently the cost of child care for two children now exceeds the median annual rent. Our budget puts a special focus on birth to kindergarten. It brings the total investment in child care and development funds to $6.1 billion, so more of our children have access to quality care.

We also propose to expand early Head Start child care partnerships for more of our children. This allows us to build on the progress we are making in reforming Head Start. And by funding the President's Opportunity, Growth, and Security Initiative, we could provide an additional hundred thousand children with access to high quality early learning.

Our global competitors have figured out that investing in early education makes good economic sense. China plans to increase the preschool enrollment by 50 percent by 2020. And in Japan, virtually every 4-year-old attends preschool. So if we want our children to compete for the global jobs of the future, these investments really matter.

This budget also extends and expands voluntary home visitation so we can empower our children's first and best teachers, their parents.

The investments don't add a dime to the deficit. One of the ways they are paid for is through an increase to the tobacco tax, which we know encourages younger Americans from smoking. But here is the snapshot: Every day more than 3,000 children try their first cigarette, and nearly 1,000 a day become daily smokers. So the efforts to reduce their smoking habits are imperative.

These investments have broad bipartisan support from governors, from business, military, and law enforcement leaders, from parents and health providers, and can make a huge difference in our Nation's prosperity.

Of course no child can learn with a toothache that his or her family can't afford to have treated. No family can save for college when they are drowning in medical bills. This budget protects the progress we are making in helping more Americans obtain the opportunity of affordable health coverage. Yesterday, we announced that 4.2 million people had signed up through the end of February, which is an increase in 29 percent in the month of February in the number of signups. The number of people choosing a plan every day last month also increased from an average of 32,800 in January to 34,000 a day in February. We expect that number to rise by the March 31st deadline, as more Americans learn how affordable the marketplace coverage can be. We also know that we have had a total of 8.9 million people, as the last Medicaid report indicated, that have been determined eligible for either renewal or new Medicaid benefits.

Now, one of our best tools also for expanding access to health care are the community health centers, which are throughout our urban and rural areas. This budget invests to help them serve an additional 31 million Americans at new and existing sites. The budget also protects our seniors by increasing investments for elder justice to protect them from abuse, neglect, and exploitation. It protects consumers with additional resources to help the FDA oversee the safety of our food supply and pharmaceutical resources. It expands the efforts to protect hospital patients from healthcare-associated infection.

And because the opportunity, growth, and security mean very little when a family faces unemployment, the budget is a job creator. It invests in industries that drive our economy, innovation, science, and discovery. The investments fuel entrepreneurship and economic growth, while saving lives, the NIH-funded BRAIN Initiative, vaccine development, and other innovative products.

Through the Health Care Workforce Initiative, the budget expands the National Health Service Corps, enabling us to focus training dollars on the primary care workforce by expanding residency training opportunities. And for all these proposed investments, the budget makes tough, fiscally responsible choices. It will contribute a net $369 billion to our deficit reduction over the next decade by incentivizing high quality, efficient care, and by continuing to reduce healthcare cost growth, strengthen Medicare and Medicaid with $415 billion in net savings over 10 years.

We will also produce budget savings for taxpayers by continuing to crack down on waste, fraud, and abuse. Every dollar we invest in the Health Care Fraud and Abuse Control Initiative, for example, returns $8.10 in money we recover, which last year was a record-breaking $4.3 billion.

Now, in many ways the budget reflects the notion from the Book of Matthew that where your treasure is there also your heart will be. A budget is more than a ledger. It is a statement of a mission, intentions, and priorities. This budget succeeds in that mission by expanding opportunity, encouraging growth, and protecting both our families' economic security and our Nation's health security.

Thank you, Mr. Chairman, and I would be pleased to answer your questions.

Chairman Camp. Well, thank you, Madam Secretary.

Chairman Camp. The Secretary has a hard stop at 12:15. And in the interest of time, questions will be limited to 3 minutes. I am going to hold my questions to the end of my time and yield to the Health Subcommittee chairman, Kevin Brady, to begin questioning. I will then recognize Health Subcommittee Ranking Member McDermott, and then we will start in reverse order of seniority. If we run out of time before I have an opportunity to ask questions, I will submit mine for the record, and would ask that I get a timely response to those.

The committee still seeks some basic information about how many people have paid their premiums, how many uninsured are actually enrolled in the exchanges, how much the launch of exchanges has cost taxpayers, and what programs were cut to pay for the implementation that really didn't work. So if we can get answers to those questions during the hearing, I think that would be helpful.

Chairman Camp. Mr. Brady is now recognized.

Mr. Brady. Thank you, Mr. Chairman.

Madam Secretary, you were before the committee in April of last year. You assured us all there would be absolutely no more delays in the Affordable Care Act. We have seen eight delays since you gave us those assurances, bringing the total now to 35. So the question is, I think fairly for our families at home, what other delays should they expect? Are you going to delay the mandate that individuals have to buy government-approved health care or pay a tax?

Secretary Sebelius. No, sir.

Mr. Brady. Are you going to delay the open enrollment beyond March 31st?

Secretary Sebelius. No, sir.

Mr. Brady. Is it correct that you don't have the authority to extend that deadline? The position that the Centers for Medicare & Medicaid Services have made, you agree with that?

Secretary Sebelius. I haven't seen their statement, sir, but there is no delay beyond March 31st.

Mr. Brady. Well, my question is, the law very clearly makes the case that tax credits are available only to individuals who are enrolled through the exchanges. Yet 2 weeks ago in regulation you deemed that individuals who haven't enrolled in the exchanges are eligible for those tax credits. My question is, what specific provision in the Affordable Care Act grants you that authority?

Secretary Sebelius. Well, sir, I can get you the specific cite, but the authority really comes from the law, which states if a person is eligible for the Affordable Care Act and in the exchange process, then they are eligible for a tax credit. We have made it clear that if through no fault of their own they were unable to enroll, that eligibility extends to a delayed enrollment period, and they will have a special enrollment period which we have the authority to grant.

Mr. Brady. Madam Secretary, to be very clear, the law is very plain, only people enrolled in exchanges are eligible for tax credits. As the committee that handles the tax credits, we know this section well. So maybe you could ask the folks who are here today.

Secretary Sebelius. Sir, I would be happy to get you the statutory authority.

Mr. Brady. Your experts are behind you. If you would like to ask them, please do. But there is no provision there.

Secretary Sebelius. Sir, I will get you this in writing.

Secretary Sebelius. There is a provision that indicates that if a person is eligible, the eligibility -- and in the enrollment process -- we can grant a special enrollment period.

Mr. Brady. I guarantee you, Madam Secretary, you won't be getting us back that provision because it is not there. And my point is, if you delayed this law because it is not workable for businesses, why aren't you delaying this law because it is not workable for our families? How is that fair?

Secretary Sebelius. I am sorry, sir?

Mr. Brady. How is it fair that you delayed this law because it is unworkable for businesses of all sizes, but it is not workable for families? Why aren't they getting the same treatment?

Secretary Sebelius. Well, sir, we haven't delayed the law's implementation across the board.

Mr. Brady. Not across the board, but for businesses, large businesses, medium and small.

Secretary Sebelius. Ninety-four percent of business owners are less than 50, and the law has never applied to them. There are 2 percent of business owners who are in the above 100 percent. They have an additional year to fill out paperwork. Another 2 percent --

Mr. Brady. Madam Secretary, it is just not fair.

Chairman Camp. Time has expired.

Mr. McDermott.

Mr. McDermott. Wow. Take a breath.

Your budget contains several proposals for structural reforms to Medicare, all of which will increase the cost on beneficiaries. What I don't see in your budget is Medicare reforms that ask providers and pharmaceutical companies to share in the pain. Frankly, that concerns me. I think there ought to be a sharing of the pain among the providers and those who benefit from Medicare.

As you know, Medicare beneficiaries already spend a disproportionate share of their income on health care compared to those under age 65, and upper-income Medicare patients pay more.

Now, I understand these proposals, while they concern me, were put into the budget as a part of a so-called big, bold, balanced budget deficit reduction plan, one that calls for shared sacrifice among working and retired Americans, wealthy or not.

So let me ask this question. The notion that completely seems to be around here is much different that you can cherry pick those Medicare reforms here and one there, sort of low-hanging fruit as a way to offset or to pay for the SGR. Our Republican colleagues have been talking about doing this. And I think that it is hard for that to actually occur, because SGR needs to be fixed. There is not actually a documented access problem throughout the program. And it seems unconscionable to ask those with household incomes averaging $23,000 a year to pay more in order to increase payments to doctors.

My question is this: Does the administration support cherry picking structural reforms which would increase costs for Medicare beneficiaries, or are those reforms solely intended as a part of a substantial deficit reduction package with shared sacrifice for all Americans?

Secretary Sebelius. Well, Congressman, as you know, the President has said for a number of years that he remains hopeful for a big deal, tax reform, entitlement reform package that would put us on the path to multiyear fiscal solvency. And so I think in the context of those reforms, that is why these proposals continue to be made in the budget, but it is in the context of a major effort. Entitlement reform is a piece of the puzzle, but only a piece of the puzzle if there is additional tax reform and revenue sharing that, as you say, involves everyone.

Mr. McDermott. So the White House doesn't support selecting out pieces to pay for SGR.

Secretary Sebelius. Well, I think the budget is a package that moves forward, and the cherry picking of one piece or another gives, as you say, undue burden on seniors.

Chairman Camp. All right. Thank you.

Mr. Renacci is recognized.

Mr. Renacci. Thank you, Mr. Chairman, for holding this hearing on the President's budget.

Chairman Camp. I think you need to lean into the microphone.

Mr. Renacci. It is not working.

Mr. Crowley. These aren't working. Are you pulling an Issa on us? This wasn't an Issa, is it? Just making sure.

Chairman Camp. There we go. Mr. Renacci is recognized.

Mr. Renacci. Thank you, Mr. Chairman, for holding this very important hearing on the President's budget and allowing us the opportunity to question the administration on behalf of our constituents.

Secretary Sebelius, welcome back, and thank you for taking the time to speak with us today.

Madam Secretary, Obamacare was sold to the American people as a bill that would make health care more affordable. In my State of Ohio, it has become clear this is not the case, as premiums, deductibles, and out-of-pocket costs have increased for a significant number of Americans, causing working class families and young individuals to spend more of their hard-earned pay on healthcare expenses. In fact, I have had many individuals in my district who are now covered who can't afford their deductibles now questioning me as to what they are supposed to do to access health care.

Mr. Chairman, I would like to submit for the record a transcript of an interview between NBC News and Secretary Sebelius on September 30, 2013.

Chairman Camp. Without objection.

Mr. Renacci. Madam Secretary, in an interview on September 30, 2013, you said, when asked regarding Obamacare, what success would look like. Your answer, and I quote, was, "I think success looks like at least 7 million people signed up by the end of March 2014." Open enrollment ends this month, and you are

well short of that target. Based on your own standards, Obamacare will not be successful at the end of March 2014. What do you now call success?

Secretary Sebelius. Well, Congressman, I think that in answer to your initial question, I don't know the constituents you are speaking to, but I can give you a national snapshot where private insurance rates in the 10 years before Obamacare were running about 8.6 --

Mr. Renacci. Madam Secretary, can I get you to answer that question on what is now success because I only have 3 minutes?

Secretary Sebelius. Well, success looks like millions of people with affordable health coverage, which we will have by the end of March, in the private marketplace, in Medicaid, young adults on their family plan. So we will have I think a successful program. We have a market, we have competition. We have for the first time self-employed individuals who don't have affordable care through their worksite getting affordable coverage.

Mr. Renacci. So you are changing your standard of 7 million by the end of March 31st.

Secretary Sebelius. I said success looks like millions of people having affordable health care.

Mr. Renacci. Actually, you said 7 million. I have one other question. In that interview, you also talked about deductibles, and your answer was, "Well, I think families can make a choice. It isn't something they can pay for. A lot of people couldn't pay their out-of-pocket, they will want a lower deductible." Can you answer the question as to how about those people in my district who can't afford a lower deductible? What should they be doing?

Secretary Sebelius. Again, sir, I think that the range of plans in the marketplace is more robust than the range of plans ever has been in the individual marketplace or in the small group marketplace. Some, as you know, have lower premiums in exchange for higher deductibles, some have lower deductibles and higher premiums. But that range has never been there, nor have the millions of Americans who now qualify for some financial help to get into the marketplace have that benefit. So I meet people every day who are actually having affordable health care for the first time. They have never had employer-based health care, and they have an opportunity for health security for themselves and their families.

Chairman Camp. All right. Thank you.

Ms. Sanchez is recognized.

Ms. Sanchez. Okay. My mike is working. Thank you, Mr. Chairman.

And, Madam Secretary, I want to thank you for taking the time to appear before the committee today to discuss the administration's fiscal year 2015 budget.

I continue to believe that budgets are a reflection of what our priorities are in this country, and our priorities should be pretty clear: creating an environment for good-paying jobs that allow workers to support a family, properly funding health care for all, and protecting benefits for those who have earned them. Those should be the focus. And I am happy to see that the President's budget does reflect some of these goals.

Specifically, just some things I wanted to point out, the proposed 2015 budget gets rid of a misguided approach to chained CPI, to change the chained CPI balanced on the back of our seniors. It expands HIV/AIDS treatment and care through investments in the Ryan White HIV/AIDS program and CDC activities. It funds the National Institutes of Health at $30.2 billion, and provides $140 million in services for victims of domestic violence.

As one of the few women who sit on this committee, I think I would be remiss if I didn't spend at least a few moments on issues that are specific to women's health care. I want to talk about Title X. It is the only Federal program exclusively dedicated to family planning and reproductive health services. Publicly funded family planning services have helped reduce the rates of unintended pregnancy and abortion in the United States. And in fact the CDC has included family planning on its list of the top 10 most valuable public health achievements of the 20th century, along with things like childhood vaccinations and fluoridation of drinking water.

I was pleased to see that the President's budget calls for a slight increase in Title X funding. And I was wondering, Madam Secretary, if you agree that the investment in family planning services is a valuable one that reduces government healthcare expenditures in the long run.

Secretary Sebelius. Well, I think it has been shown, Congresswoman, that family planning and having families be able to make choices about the timing of children and the timing of pregnancy is a huge health issue and a huge family security issue, and we have made some significant strides.

I would also point out that as part of the Affordable Care Act, insurance policies now will cover a full range of health services for women, which was not necessarily the case. They will be not allowed to charge women more than men, which was typically a feature in the individual market, and for the first time have a focus on women's health issues, including family planning issues.

Ms. Sanchez. And do you think that the increased access to affordable birth control will affect healthcare costs overall under the Affordable Care Act?

Secretary Sebelius. Well, what we have seen, actuaries of private insurance companies will tell that you actually having contraception services as part of their package decreases costs because they pay for fewer unintended pregnancies and sometimes pregnancies that could result in very high birth and follow-up costs. So as an actuarial point of view, it is actually a net gain in terms of overall health costs. But more importantly, it allows families to make their own choices about families and timing, and the health of the mother and the health of the child are often significantly improved by that timing.

Ms. Sanchez. Thank you, Madam Secretary, and I yield back.

Chairman Camp. Thank you.

Mr. Griffin.

Mr. Griffin. Thank you, Mr. Chairman. Apparently it is not working now.

Secretary Sebelius. It is just when you try to use it that it doesn't work.

Chairman Camp. Right. Why don't you come up.

Mr. Griffin. I think a Web site manufacturer and Web site developer has been working on our mike system.

Thank you for coming. I appreciate it. What I would like to talk with you a little bit about is the issue of investments. You mentioned investments. Almost every constituent that comes to see me in my office talks about the need for additional funding, for example, for the NIH, for Alzheimer's research, for cancer research, MS, diabetes. They may talk about education, they may talk about some other program that is funded by discretionary spending. And a lot of times when people mention investments, that is what they are talking about.

I have supported increasing NIH research funding. I wish we had the money to increase it drastically. But the reality is that that funding is getting pressured or squeezed out by the growth of entitlement spending. If you could look, I have got a slide here.

[Slide]

Mr. Griffin. So this is something that President Obama said in 2011. "If you look at the numbers, Medicare in particular will run out of money, and we will not be able to sustain that program no matter how much taxes go up. I mean, it is not an option for us to just sit by and do nothing."

Next slide.

[Slide]

Mr. Griffin. This is what I call the Pac-Man problem. I use this to explain to folks who come to visit me why the funding that they are in favor of, which often I favor, NIH funding, for example, why it is under pressure. And it is under pressure because the yellow part, which we recognize as Pac-Man, is continuing to close its mouth on all the stuff that you refer to as investments. And HHS Secretary after HHS Secretary, I have talked to both administrations, Republican and Democrat, praise their budget as fixing the problem. But the problem persists.

And I just invite you to work with us for real reform on Medicaid and Medicare to fix this. And I would welcome your comments on how your budget will address this problem.

Secretary Sebelius. Well, sir, I would welcome the opportunity to work on a serious, big budget deal, including entitlement reform, but also including tax reform and revenue sharing, and spread that equally across the board.

I would say that the passage of the Affordable Care Act was one of the most significant issues of late to increase the solvency of the Medicare Trust Fund. The trustees put that passage at about a 12-year additional solvency. This budget adds an additional 5 years. So when this President came into office Medicare was likely to go broke in 2017. That window has now been significantly extended. And this committee has voted 50 times to repeal those very --

Mr. Griffin. But you are robbing Peter to pay Paul, and the seniors are bearing that burden.

Chairman Camp. All right. Time has expired.

Mr. Crowley.

Mr. Crowley. Thank you, Mr. Chairman.

Madam Secretary, thanks so much for being here once again today. I am up here now. They moved me. Madam Secretary, they moved me up here. I am sorry. I know. Musical chairs. It is going to take a long time for me to get up here normally speaking. I thank the chairman for this opportunity.

Secretary Sebelius. Just don't give it up.

Chairman Camp. Don't get used to that seat.

Mr. Crowley. I am not getting used to it. I am enjoying my time here. I have very little time.

The Affordable Care Act has made great strides in improving access to quality health care, such as by closing the prescription drug coverage gap, strengthening the Medicare program, and establishing competitive marketplaces for working families to purchase insurance, for many people for the first time. I am glad that the budget sustains and builds upon these successes.

I am also pleased to see that this budget looks towards the future on improving our healthcare system, such as through the new physician workforce proposal is growing the need for more doctors at the same time. Projections show that by 2020 the United States will face a physician shortage of more than 91,000 physicians, growing to over 130,000 physicians by 2025, not that long from now. That is both primary care physicians and specialists.

So clearly there is a need for continued Federal investment in doctor training. Yet I am concerned that some of the proposals in this budget would fundamentally change this longstanding contract on how doctor training is supported in our country. Our Nation has long recognized the need for doctor training to be a shared investment between our medical schools, residency training programs, and the Federal Government. Medical schools have increased graduating classes, and teaching hospitals are training residents above and beyond what Medicare supports.

In my home State of New York, there are almost 840 residents currently being supported by hospitals alone because Medicare can't fund these positions. Nearly 10,000 residents nationwide are in a similar situation. There is a clear and obvious demand for more residency slots even within the Medicare program, demonstrating that this is not the time to be drawing teaching dollars away from Medicare to other programs.

I have introduced legislation, the Resident Physician Shortage Reduction Act, to meet the real need of adding additional residency spots in these specialties, as well as in the primary care area. If you could, please comment in terms of the budget itself and the effect that this will have on teaching hospitals. I don't think this is the time to be taking away those moneys. We need to be adding money to produce the number of physicians we will need in lieu of the Affordable Care Act.

Secretary Sebelius. Well, Congressman, I think the President definitely shares your view that the healthcare workforce is of enormous importance. And we certainly have been focusing on that since the beginning of this administration.

I would say there are three major components of a significant, $14.62 billion workforce initiative over the next 10 years. Increasing the size of the National Health Service Corps, which goes a long way to putting doctors, nurses, mental health techs, dentists in underserved communities, growing that force to about 15,000 from its current 8,800 and keeping it there.

Secondly, to focus on the targeted support for graduate medical education, really again driving not only the primary care workforce, but specific underserved specialty areas. Currently, hospitals kind of pick and choose which residencies they will slot. And we think at this point it is more helpful to really focus on the great need for primary care, preventive care, community-based care, nurse practitioners, so that the growing population of elderly and others, who hopefully will stay out of the hospital, will have that kind of care.

And thirdly, to continue the increase that was passed in the Affordable Care Act for primary care doctors who take Medicaid patients. And I think those three initiatives combined will really do a significant amount to increase the primary care workforce, but also to make sure that primary care docs and nurses are in the right places in the most underserved areas.

Chairman Camp. All right. Thank you.

Mr. Kelly is recognized.

Mr. Kelly. I thank the chairman.

Madam Secretary, thanks for being here today. I just want to get directly to the budget, because on page 33 of the budget it highlights or alludes to a potential large tax increase that is not defined. Now, reading from page 33, this is what it says: "Even with reforms to Medicare and other entitlements and tough choices, we will need additional revenue to maintain our commitments to seniors."

Now, as I read this, it looks like an open-ended discussion, but with no real specifics. What specifically are we going to do? Because we are past the rug cutting time. Where do we go? Where do we go to get this revenue? What taxes are going to have to come about?

Secretary Sebelius. Well, I think, Congressman, as you know, there have been discussions over the last several years. The President has proposed a number of tax loopholes being closed.

Mr. Kelly. And I understand. I don't want to cut you short. I have a very short period of time.

Listen, we are playing ring around the rosy with this. There is no way that we can look at the metrics of this and say this is going to work. My question is, because the real choice right here is between entitlement reform or going to some other type of a tax, which I think a lot of people on the right and left are saying we are going to have to have a European-style VAT tax. This is going to put a tremendous burden on the middle-income folks, the lower-middle-income folks, and the lower-income folks because it hits every one of them hard, hard. Nobody walks away from this. Forget all the subsidies and everything else.

I want to know where are you going to get the money? Show me the money. If there is not going to be reform, show me the money. Where is the revenue going to come from? Because we know in this model you tax it, you fine it, it is through taxes, fines, fees, or borrowing, or God forbid just printing our way out of it. So where is the money going to come from?

Secretary Sebelius. Well, sir, nobody, as you know, in this administration has ever suggested a VAT tax. I think what we are eager to do --

Mr. Kelly. Not yet. Not yet.

Secretary Sebelius. -- is work with Congress on a comprehensive program which shares the burden, not taking it out of the backs of seniors, of the backs of the poorest Americans.

Mr. Kelly. No, no, no, no, no. Listen, listen.

Secretary Sebelius. That has always been the proposal in the past.

Mr. Kelly. Madam Secretary, we agree, we agree violently on that. It comes down to dollars and cents. You can't wave a magic wand and make this money appear. You can't do it. If we are not going to have serious entitlement reform, where is it going to come from? It is simple math. The President says it all the time. Just do the arithmetic. It doesn't float.

Secretary Sebelius. Well, I would say some of the most serious entitlement reform is underway right now under this administration. We have cut in half the cost trajectory of Medicare year in and year out. We are seeing the slowest growth in 50 years in the program. Plus more Medicare beneficiaries coming in and more benefits. So I would say that it is underway.

Mr. Kelly. I understand that. But sometimes it is much easier to talk the talk than it is to walk the walk. We heard this wouldn't cost us anything, and now we are finding out it is trillions more than we thought. It is

just not working. I am looking at this, and the reform is absolutely necessary. I just don't see anybody walking that plank.

And I don't see any specifics of this. We can talk in flowery terms about what we want, what our hearts are willing to do, but what our wallets can't provide. The question is, how do you pay for it? It has to be tax increases. It can't come from anyplace else. I wish it was, just tap a magic wand and the money just magically appears. It doesn't. We are on a heck of a trajectory right here, and there is no way out of this absent real reform or huge tax increases. There is just no other way to do it.

Chairman Camp. All right. The time has expired. We will try the mikes again.

So, Mr. Pascrell, you are recognized.

Mr. Pascrell. Thank you, Mr. Chairman.

Madam Secretary, I am glad that we are now all talking about middle-income people. Well, we have come a long way in 3 years. That is good. I think we are on the right trail.

But let's change the pace a little bit. The commitment that the President has made to expanding educational opportunities and the investments in research and science within this budget are things I strongly support. The BRAIN Initiative is one of the investments that I think is particularly worthwhile. Today, we are celebrating what we have done for the past 14 years in the Rayburn Building, all the research that is being done both in the military and the civilian on traumatic brain injury, post-traumatic stress disorder, which has now helped in many, many ways to help our kids in making sport decisions.

The BRAIN Initiative is one of the investments that I think is worthwhile. As cochair of the Traumatic Brain Injury Task Force, along with Congressman Rooney of Pennsylvania, I am well aware of the advances that we have made in research in the brain in recent years and how much we have learned and continue to learn.

Your presence here today is very timely. As I said, the Congressional Brain Injury Awareness Day is evident on Capitol Hill, and a number of your offices are participating. The Centers for Disease Control and the CDC estimates that 2.4 million TBIs occur each year and that 5.3 million Americans live with a lifelong disability as a result of TBI.

Beyond those numbers, TBI has become the signature wound in Iraq, as well as in Afghanistan. Twenty percent of our soldiers deployed are estimated to have experienced brain injury. This is serious. What is even more serious is how many have fallen through the cracks.

It is because of this Congress and the last three Presidents that we finally have come to the point of recognizing it and stop sweeping it under the rug, and we have insisted on it in a bipartisan way. Brain injuries can impact anyone at any time.

I know this $200 million commitment, which is double the investment in last year's budget, is not just coming from your Department. But can you speak to the goals of the BRAIN Initiative and how important it is that we pay attention to what is going on in that research? Very briefly, if you would.

Chairman Camp. Okay. Time has expired. But if you will respond briefly. And if you want to supplement in writing a longer response, that would be fine.

Secretary Sebelius. I would be glad to, Mr. Chairman. I would say that Dr. Collins, the head of the National Institutes of Health, has identified the BRAIN Initiative as one of his signature efforts going forward. He

has assembled what he would call the dream team of top-notch researchers from a variety of institutions and mapped out really a very aggressive strategy, multi year strategy.

But the private sector will be intimately involved in this. Some of the key drug companies are at the table. There is an effort underway in the drug front to also get them involved in accelerating cures. So I would say it is a multifaceted project, and I would be glad to get you some more information.

Chairman Camp. All right. Thank you very much.

Mr. Young is recognized.

Mr. Young. Madam Secretary, thanks for being here today. I am going to start on a couple of words of encouragement and appreciation. First, coming from the State of Indiana, know that our delegation, our governor and the people of our State really appreciate your consideration of allowing the Healthy Indiana Plan, which covers 40,000 low-income Hoosiers, to play an important role in terms of our Medicaid expansion in our State. HIP is the first consumer-directed plan for Medicaid recipients in the country, and thank you for that.

Also appreciate internally within HHS, and I know this is a priority for OMB, increasing the evaluation of the existing government programs so that we are focusing more on outcomes as opposed to inputs. I would love to work with you on that evidence-based approach in the future.

One of the biggest concerns related to this healthcare law, of course, is its impact on jobs and wages. The CBO has indicated that the Affordable Care Act will shrink the workforce by the equivalent of 2.3 million full-time jobs. Teamsters President James Hoffa has said the law, quote, "destroys the foundation of the 40-hour workweek that is the backbone of the American middle class." UNITE HERE is a union representing 265,000 casino, hotel, and food service and warehouse workers. And they recently published a new report, "The Irony of Obamacare: Making Income Inequality Worse." And I would like to submit this report for the record.

Chairman Camp. Without objection.

Mr. Young. UNITE HERE supported what the President calls Obamacare, but they don't anymore. The report says "Without smart fixes, the ACA threatens the middle class with higher premiums, loss of hours, and a shift to part-time work and less comprehensive coverage," You have indicated, as reported in the press. "There is absolutely no evidence, and every economist will tell you this, that there is any job loss related to the Affordable Care Act."

Based on the growing body of evidence, including this report, have you rethought whether or not the Affordable Care Act might in fact adversely impact wages, hours, and jobs for in particular low-income Americans?

Secretary Sebelius. Congressman, I have had some great meetings with Governor Pence and look forward to continuing those around Healthy Indiana and the expansion. I would say that, unfortunately, the Congressional Budget Office report I think has been mischaracterized. It does not say that the passage of this healthcare law will lead to 2 million fewer jobs. It does indicate that people will have some choices that they don't have today. They won't have job lock until they get to 65, where they have healthcare guarantees with Medicare. They can choose to stay at home. A lot of farm families will have the choice of not having to have an off-farm job to get health insurance for the family.

So there is an average that they give, and they say you could have an average number of hours worked less, or they say you could have an average number of hours worked more.

Mr. Young. I see our time has expired. I guess we could lower the definition of full-time employment to 20 hours, giving employees more flexibility under your analysis of the CBO report. But thanks so much for entertaining my questions.

I yield back.

Chairman Camp. Mr. Kind is recognized.

Mr. Kind. Thank you, Mr. Chairman.

And, Madam Secretary, thanks for being here, and thanks again for your service to our Nation. I know this hasn't been the easiest time, the rollout of the ACA. We didn't think it would be easy, but it is worth trying to do.

First a comment and then a question for you. My comment, coming from a very large rural congressional district, just keep an eye on those critical access hospitals. They face some unique challenges as far as recruitment, retention, and access issues. And I know we have had budget discussions about that in the past.

The question is one of the great stories in recent years, the last few years, has been the trajectory of healthcare spending, costs per beneficiary, which has never been lower in the last 50 years. I wonder if you could just take a moment to tell us what you are seeing in regards to the health system that is leading to these cost reductions.

Obviously, part of the Affordable Care Act is to reform not only the way health care is being delivered so it is more integrated and coordinated and patient-centered, but changing the financial incentives so it is more value and quality driven. But if you could take a moment and just let us know what you are seeing as far as costs and whether these reports are sustainable in the future.

Secretary Sebelius. Well, Congressman, you and a number of the House delegation was instrumental in making sure that the sort of quality and value pieces were added to the Affordable Care Act, that that became a fundamental piece of this. And I would say that the framework of having for the first time real tools within the Medicare system to look at aligning value with payment is significant. And we are already seeing the first real reduction in preventable hospital readmissions, a very dramatic change in hospital infection rates. Good for patients, good for the bottom line.

In terms of overall expenditures, the 10 years before the Affordable Care Act, Medicare cost growth was on average 6 percent a year, year in and year out. Since the passage of the act, 2010 to 2012, it was 1.6 percent, a dramatic drop. Last year, 0.7 percent. As you say, the lowest cost increases in history. And Medicare beneficiaries have more benefits, lower prescription drugs, additional costs. Private insurance costs have been cut in half during that same period of time. Overall health expenditures in the United States per capita were raising at about 6 percent a year. They now are at 3 percent a year, again cut in half. And Medicaid expenditures, again, are seeing the lowest cost increases.

But in part, it is because I think some of the fundamental structure of looking at ways to deliver more effective preventive care, earlier intervention with very high-cost patients, some of the pieces you put in place with the dual eligibles, a very expensive population, only about 10 million individuals, but people who spend over a third of both the Medicare and Medicaid budgets, that work with the States is very much underway. So there are some very promising trends I think on the horizon.

Mr. Kind. All right. Thank you.

Chairman Camp. Mr. Reed, and then we will go to Mr. Blumenauer. And then we will begin two to one.

Mr. Reed.

Mr. Reed. Thank you, Mr. Chairman.

Thank you, Madam Secretary, for being here today.

I wanted to joint with my colleague Mr. Kind to bring a message to you. Representing a rural district in western New York, I can tell you the Medicare and Medicaid reimbursement cuts that your proposals have done and implemented are seriously jeopardizing our critical access hospitals, our low-volume Medicare-dependent hospitals. I am dealing with two right now, St. James Hospitaland Lake Shore Hospital. Lake Shore is actually going through a closure. St. James is going through a rebuild.

On the front line, in particular on rural hospitals, these cuts are causing significant problems for access to care for our people. So I am delivering to you some information, and join my colleague in highlighting that need.

Now, what I wanted to talk to you today about is we just had an election in Florida last night. The Democratic opponent was talking a lot about ways to fix the Affordable Care Act. And what I wanted to get from you is that the administration has had 37 significant changes in the Affordable Care Act that it has put forward by executive order and other amendments. And what I am looking for you, if you have any suggestions, have you supplied to Congress, to us, in areas that you want to fix the Affordable Care Act? Has there been any legislation sent from the administration up to Congress in regards to those fixes?

Secretary Sebelius. I have not sent legislation to Congress, no, sir.

Mr. Reed. Yeah, because the answer is zero. I knew the answer to that question. I just wanted to see exactly where you were coming at. So is the administration's position that the Affordable Care Act is not fixable, therefore there is no need for any legislative fixes?

Secretary Sebelius. No, sir, I don't think that is the case.

Mr. Reed. Okay. So it is fixable. There are areas that you want to fix. Could you state for the record what areas of the Affordable Care Act does the administration want to work with us in order to fix?

Secretary Sebelius. Sir, we have said from the outset, from the passage of the law in March of 2010, if there are suggestions or ways that we --

Mr. Reed. So the White House has no suggestions or ideas on how to fix it.

Secretary Sebelius. We have implemented a number of changes in the way the law was written to ease the transition into the marketplace.

Mr. Reed. I appreciate that because we have had the same thing up here on the Hill with the employer mandate delay, that we passed legislation and then the White House vetoed that, or threatened to veto it, and then by executive order implemented it.

Secretary Sebelius. No legislation has passed the Congress.

Mr. Reed. So if we pass that you will say you will sign that?

Secretary Sebelius. I don't sign legislation.

Mr. Reed. Well, the White House. What is the White House's position on that?

Secretary Sebelius. The White House made their position clear. But no legislation has passed the Congress in the 3-1/2 years that the law has been implemented. And the House has voted 50 times to repeal the act.

Mr. Reed. Yeah. So when we pass a bill in the House and the White House issues a veto threat to it, that is an indication that the White House wants to work with us on policies that it is by executive order implementing? I mean, we have the employer mandate delay. You have the health insurance plan, that you can keep if you like it. We get threats of veto from the White House on things that you are doing by executive order over there? See, that doesn't make sense to us. Can you explain to the American people why that makes sense?

Secretary Sebelius. Sir, I think that the issue is the breadth of some of the legislation. We believe strongly that having a transition for people who are already insured gradually into ACA-compliant plans makes sense. The measure considered by the House of Representatives was considerably broader than that. It would have basically destroyed the new marketplaces. So that was a very different piece of legislation.

Mr. Reed. That is not true. That is just not true.

Chairman Camp. All right. Time has expired.

Mr. Reed. Thank you.

Thank you, Madam Secretary.

Chairman Camp. Mr. Blumenauer.

Mr. Blumenauer. Thank you, Mr. Chairman.

Madam Secretary, thank you again for being here. We appreciate your tenacity and your patience. I would like to just shift something that doesn't bear directly on the Affordable Care Act.

I worked very hard in the House version, and it passed this committee unanimously, provisions that would have provided reimbursement for voluntary consultation for patients who are facing difficult end-of-life circumstances. It stayed in the bill, but because of the reconciliation process it dropped out.

Since then, the evidence is even more compelling for the need for this service. I would just cite Reverend Billy Graham's most recent book talking about the need for families to approach this, or former Majority Leader Bill Frist, in one of the op-eds on Capitol Hill, pointed out that because of a lack of this planning and assistance, quote, "patients are more likely to receive medical interventions that can actually prolong or worsen their suffering and will certainly increase the expense of their loved ones."

Yesterday, I joined with the American Association of Clinical Oncology, who had just a great report about this, and included a provision that I think is very compelling that they have research that shows, if you do this right, if you work with patients, you can actually, by adding palliative care, people will actually live up to 3 months longer while they get chemotherapy.

Well, in November of 2010 CMS released a final payment rule that would have reimbursed Medicare doctors to have conversations with their patients on options for end-of-life care. This provision would have given people more control. And it speaks to much of the legislation, bipartisan legislation cosponsored by a number of people on this committee, that Dr. Roe and I have introduced. Yet just days after that final rule went into effect, the administration reversed course, pulled it back, and it has been 4 years, because of some sort of procedural something.

Is there some way that we can work with you and our legislation so that we can give people, at no cost to the Federal Government, something that 92 percent of the American public thinks they want? Is there a way that this administration can work with this committee on a bipartisan basis to solve this problem?

Secretary Sebelius. Yes, Congressman, I would welcome that opportunity. I can tell you it is a personal passion of mine. My mother spent her last 10 weeks in three different hospitals with dozens of procedures, and basically I would see it as being tortured to death. So I welcome the chance to look at how families and patients and providers can have more control over those end-of-life decisions.

I also think that -- two things I would point out. One is that you did add to the Medicare benefits a wellness visit, a yearly wellness visit, which gives patients and doctors an opportunity to have conversations about health plans and potentially, you know, have a conversation about issues that arise in critical care. But, also, we are very much working under way with revisions in the hospice benefit area, and we hope soon to --

Mr. Blumenauer. It is very important. I see my time has expired --

Chairman Camp. Thank you.

Mr. Blumenauer. -- but I would hope after 4 years that you could revisit the rule or that you support our bipartisan legislation so we can solve this.

Chairman Camp. All right.

Mr. Blumenauer. Thank you very much.

Chairman Camp. Ms. Black and then Mr. Marchant. Ms. Black is recognized.

Mrs. Black. Thank you, Mr. Chairman.

And, Madam Secretary, thank you for being here. I think that this dialogue is so important for us to have because these are big issues that directly impact individuals and their lives.

So my first question for you is, do you believe that the individual mandate tax penalty is an essential component of the implementation of Obamacare?

Secretary Sebelius. Congresswoman, I think that the mandate issue came from, I think, originally the Heritage Foundation and some other legislative analysis that ties it to getting rid of the preexisting-condition barrier for insurance companies.

Mrs. Black. So you do believe that it is an important component?

Secretary Sebelius. You need to apply them together. Yes, ma'am.

Mrs. Black. You do believe.

So I ask this question because in the Wall Street Journal editorial today, it was exposed that a rule released last week quietly excused millions of people from the requirement to purchase insurance or else pay a tax. And the rule actually allows Americans whose coverage was cancelled to opt out of the mandate altogether.

Now all you need to do, according to this, is fill out a form attesting that your plan was cancelled and that you believe that your plan options available in the Obamacare mandates in your area are more expensive than what was cancelled or that you consider other available policies unaffordable.

Further, there is also a provision that says people can also qualify for hardship for the unspecified non-reason, and I quote, you experience another hardship in obtaining health insurance, which only requires documentation if possible. And yet another waiver is available to those who said they are merely unable to afford coverage regardless of their prior insurance.

In a word, these shifting legal benchmarks offer an exemption to anyone who conceivably wants one. Keep in mind, though, that the White House actually argued at the Supreme Court that the individual mandate to buy insurance was indispensable to the law's success.

So my question for you is: It just seems to me that only the people who might be subject to this individual tax are those who were never insured. Because these are the people that were insured and then for whatever reason -- do you think that this is fair?

Secretary Sebelius. Well, Congresswoman, I did not read the Wall Street Journal editorial. I will read that later today. But I can tell you the description that you have just made is not accurate.

The hardship exemption was part of the law from the outset. There were some very specific rationale there, and it starts with the notion that if you can't afford coverage, you are not obligated to buy coverage. And that has always been a framework. What this says is, if your plan is unaffordable, you can file a hardship exemption. That was the part of the rule that was also included.

Mrs. Black. So if your plan is unaffordable --

Secretary Sebelius. It has always been based on affordability of coverage.

Mrs. Black. And if you feel your plan is unaffordable, you sign a form to say, attestation, my plans -- I can't find a plan that is affordable for me, you just sign a document --

Secretary Sebelius. That is what the hardship exemption has always been based on, unaffordability of insurance. It has a measure in it --

Mrs. Black. So all of these --

Secretary Sebelius. -- about income, that if you are offered employer coverage, but it has always been in --

Mrs. Black. Madam Secretary, all of these provisions that came out in this rule that was sort of hidden, not very much exposed, you feel that was already in the law previously and this is not a new piece.

Secretary Sebelius. What this allowed -- the new piece is not the hardship exemption, which has always been part of the law.

Mrs. Black. Okay.

Secretary Sebelius. It allowed people who could not find an affordable option to also have the option of purchasing a catastrophic policy. That is the new piece, but it is not to get the exemption. The exemption has always been based on a hardship exemption. That has always been part of the law.

Mrs. Black. I can tell you, with 37 different changes in this law, my folks are really confused about what this law does and doesn't do and what applies to them.

Chairman Camp. All right.

Mr. Marchant?

Mr. Marchant. Thank you, Mr. Chairman.

Secretary Sebelius, I have been hearing from the seniors in my district who rely on Medicare Advantage plans to fund their health care. They are very concerned as they are seeing their benefit reductions increase and the result of the recent cuts to the program.

It may come as a surprise to many seniors that only a small percentage of the cuts resulting from Obamacare have actually gone into effect. The vast majority of mandated Medicare Advantage cuts have not yet gone into effect and are backloaded in the Affordable Healthcare Act.

Can you please tell the seniors in my district that depend every day on their Medicare Advantage plans what to expect in the coming years once the Obamacare Medicare cuts are fully imposed?

Secretary Sebelius. Congressman, I think there is a very good story to tell on Medicare Advantage.

Seniors are benefiting from what has happened since 2010 in a number of ways. The premiums in Medicare Advantage have fallen by 10 percent since 2010. The enrollment has increased to nearly 33 percent -- has increased 33 percent to nearly 30 percent of Medicare beneficiaries choosing Medicare Advantage plans. Quality has improved, with our five-star quality rating system. And taxpayers and other Medicare beneficiaries who were subsidizing the overpayment to insurance companies are now again seeing the benefits of that.

So enrollment is higher, premiums are lower, quality is better. We have many more plan sponsors in the market. There is 99.6 percent of Medicare beneficiaries have Medicare Advantage choices. And I think we are seeing an even stronger program for the future.

Mr. Marchant. The administration has issued countless waivers, modifications, and forms of release for business and others affected by Obamacare.

Forty percent of the enrollees in Medicare Advantage earn less than $20,000 a year. Many of these individuals will have a significant problem in dealing with the premiums and in the cuts that they are experiencing in their future.

Can you guarantee that they will receive the same level of benefits and the same access to their doctors? Because this is their biggest fear.

Secretary Sebelius. Well, sir, I can't guarantee the benefits that are outside of the Medicare benefit package. Insurance companies pick and choose. Some offer free gym memberships, some offer free eyeglasses. I can't guarantee that.

What I can say is that seniors have more choices than they have ever had. They have lower premiums in Medicare Advantage plans than they have ever had. And they have higher quality. More Medicare beneficiaries are choosing higher-quality plans. And I think that is all very good news.

Medicare Advantage plans are still being paid over 100 percent of the costs of fee-for-service. And that is what is gradually coming down, but there is no evidence -- in 2010, it was stated unequivocally that these

cuts in Medicare Advantage plans would destroy Medicare Advantage, that seniors would have no choice. That was just flat-out wrong. And I think there is very good news for the seniors now who are choosing Medicare Advantage plans. They are paying less and having higher quality.

Chairman Camp. All right. Thank you.

Mr. Larson?

Mr. Larson. Thank you, Mr. Chairman.

Thank you, Secretary Sebelius, for your dedication and hard work, and we deeply appreciate it, and also your willingness to come before this committee and others and focus on what has been a frustrating rollout but something that is vitally important to the American people, our economy, and, most importantly, to the wellbeing of our citizens.

You know, this is an issue that has been debated for the last 4 years. I was impressed with something that John McCain had to say, and I want to submit that for the record.

Mr. Larson. But to summarize, in talking about the Finance Committee and what went on and the kind of debate that was taking place in the Senate and actually took place here on the floor, what Mr. McCain said: The Finance Committee submitted 564 amendments. A hundred and thirty-five amendments were considered. Seventy-nine roll-call votes were taken. Forty-one amendments were adopted. Then the Senate Health, Education, Labor, and Pension Committee approved the Affordable Care Act by a 13-to-10 vote. Five hundred amendments were considered. More than 160 Republican amendments were accepted.

It is that kind of framework, even though Senator McCain disagreed and wanted to see the bill -- didn't vote for the bill. And what he said at the end of the day and I think what the American people expect is us to work together to improve the bill.

What we see politically has been an attempt to total repeal to the far extreme, saying every single letter of the bill ought to be repealed, including preexisting conditions, including the great disparity that existed, especially for women, as it relates to health care.

There are a lot of positive, straightforward, pragmatic, programmatic reforms that have been made and are extraordinarily helpful to the American people. It is appalling to the American public -- I come from a State where this is working extraordinarily well, where people are able to get insurance when they didn't have it before, where what was called the insurance capital of the world is now embracing and changing and meeting these reforms, where genomic projects in the biosciences are moving forward in an area that is going to be helpful.

And the only thing that drags the country down is this endless, mindless debate instead of constructive criticism about how we can work together to improve the health and wellbeing of the American citizens.

Thank you for your service.

Secretary Sebelius. Amen.

Chairman Camp. Thank you.

Mr. Paulsen?

Mr. Paulsen. Thank you, Mr. Chairman.

And, Madam Secretary, thanks for being here.

You know, Americans needed real healthcare reform before the President signed the new healthcare law, and the fact is they still need it today. The more we learn about the President's new healthcare law, I think the more the facts show it is hurting more people than it is actually helping.

I am hearing from constituents on a fairly regular basis right now who are genuinely concerned. Many are upset, many are confused because of the different delays in parts of the law. And they are fearful; they are fearful about the cost to their pocketbooks for increased healthcare costs for themselves and their families.

And instead of getting what the President I think promised when it was rolled out, for having lower premiums and lower costs, many are now paying more for health care -- significantly higher deductibles, more expensive premiums. Many have lost their insurance, the plans that they liked or the plans that they had. Many have fewer choices now for doctors and for their plans.

And there is no doubt that some companies have been forced to scale back hours with more part-time jobs and less full-time jobs, and so those employees that had good full-time jobs now have part-time jobs. And there are jobs that are being lost. I know the medical device tax was a central component for the revenue stream of the Affordable Care Act, but we have 33,000 jobs now that have been estimated to have been lost in this industry. And this is one of our best American success stories; this is where health innovations come from to help patients.

And I have 51,000 seniors in my district that are part of that Medicare Advantage population. And some of the past cuts in the MA program and some of the proposed cuts are certainly giving them concern for losing benefits or maybe even losing some of their plans.

And I think, Madam Secretary, the irony in all this is that in Minnesota, a State like Minnesota, where we had one of the lowest uninsured rates before the law was put into place, we are actually likely to see an increase in the uninsured number now because the law eliminated a lot of the reforms successfully that had been implemented in a State like Minnesota.

So my question, Madam Secretary, is: Why should the administration as a part of your budget request get another $1.8 billion for the exchanges and for all the other programs that are associated with the rollout of Obamacare?

Secretary Sebelius. Well, again, Congressman, I think that the evidence out with the recent health survey in the last 2 days indicates that the overall uninsured rate in this country is actually going down. So more people have insurance coverage, according to the survey, than did before this law was passed. So the evidence says that this actually is making an impact, and a positive impact.

I would also say that the vast majority of Americans have coverage through their workplaces, and that coverage over the last 3 years has gotten stronger. There are more consumer protections, so they don't have an annual cap anymore and they can't run out of treatment during chemotherapy, they have some features that --

Mr. Paulsen. But, Madam Secretary --

Secretary Sebelius. -- they didn't have before. But that is in place.

Mr. Paulsen. But --

Secretary Sebelius. Medicare has gotten stronger with this plan. There are additional people who now --

Mr. Paulsen. Madam Secretary --

Secretary Sebelius. -- have Medicaid benefits. And the individual market --

Mr. Paulsen. I don't mean to interrupt, but can I just ask one more question? Do you expect healthcare premiums to increase again next year, on average? Will they go up? Because they certainly went up for a lot of folks this year, but do you expect that trend to continue next year again?

Secretary Sebelius. I think premiums are likely to go up, but go up at a smaller pace. And what we have seen since 2010, the increases are far less significant than they were prior to the passage of the Affordable Care Act. Yes, sir.

Chairman Camp. All right.

Ms. Jenkins?

Ms. Jenkins. Thank you, Mr. Chairman.

Thank you, Madam Secretary, for being here. Greetings from Kansas.

Secretary Sebelius. Thank you.

Ms. Jenkins. I wanted to visit with you about the President's healthcare law and the costs associated with it. The American taxpayer, it has been estimated, will be billed nearly $2 trillion over the budget window. And the costs continue to mount. A Government Accountability Office, GAO, report issued last year says that the law will increase the federal deficit $6.2 trillion in the long run.

The cost of this law seems to be rising every time we turn around. In the budget proposal that you are here to discuss with us today, the President is requesting another nearly $2 trillion for the healthcare exchanges.

And after all of the broken promises -- like if you like what you have, you can keep it; if you like your doctor, you can keep it; premiums will go down by $2,500 -- I am wondering if you can tell us all today what happened to the President's promise. And I will quote him. He said, "I will not sign a plan that adds one dime to our deficits, either now or in the future." This is what he told us in a joint session of Congress in September of 2009. "I will not sign it if it adds one dime to the deficit now or in the future, period."

So given that the President's budget that you are here to defend today never, ever balances, can't ever point to a time in this Nation's future that you will stop spending more money than we take in, I am just wondering how you can explain his promise to us, first off.

Secretary Sebelius. Well, Congresswoman, greetings back to Kansas.

And the Congressional Budget Office, which I think you all rely on for scoring various pieces of legislation, when the Affordable Care Act was passed, said that the passage of the act would save about $100 billion in the first 10 years and then closer to $1.1 trillion in the second decade. They updated that score and made it even more generous when cost trends began coming down.

That is what the Congressional Budget Office said. They have scored that again. Every time there is a vote on repeal and questions are asked, they continue to say repealing the Affordable Care Act would actually add to the deficit, not that it would subtract from the deficit.

So that, I think, is exactly what the President was talking about when he said he wouldn't sign a bill. Unlike the Medicare Part D, which was paid for on some credit card and added enormously to the deficit and still was never paid for, the Affordable Care Act was fully paid for within the scope of the law and was --

Ms. Jenkins. But, Madam Secretary, it is not fully --

Secretary Sebelius. -- scored as detracting from the deficit, so --

Ms. Jenkins. -- it is not fully paid for. How can you explain -- and now that you have the data that indicates this will add over $6 trillion to our national debt, what have you proposed that is going to bring that into line?

Secretary Sebelius. I have to tell you, Congresswoman, I would be happy to try and answer that. I have no idea what the $6 trillion to the national debt is based on, so I would love to --

Ms. Jenkins. But you do know what the Government Accountability Office is. And are you questioning their --

Secretary Sebelius. I have never seen the study that you are talking about. Yes, I --

Chairman Camp. All right.

Secretary Sebelius. -- do know what the Government Accountability Office is. Thank you. But I will be happy to look up the study. I am not aware of that.

I do know the scoring on the Affordable Care Act by the Congressional Budget Office, and it continues to be updated. And I would be happy to provide that to you.

Chairman Camp. All right.

Mr. Thompson?

Mr. Thompson. Thank you, Mr. Chairman.

Madam Secretary, thank you very much for being here and for your tireless effort to ensure that people have access to quality, affordable health care.

I would like to ask you questions about two things that are in the budget, and I will just ask the questions and give you time to respond.

When is the new GME program? I think this is an issue. Ms. McMorris Rodgers and I have a bill that would hopefully provide more opportunity to train physicians. And, as you know, folks tend to practice where they train, and in especially rural and underserved areas, this is huge.

The administration has a targeted support program, and I am just interested in what sort of assurance we will have that they will provide training outside of hospitals and in community-based settings and what the certainty is going to be in this program. Because you know the residency programs take a long time, and I want to make sure that the program is in place so folks have a certainty.

And then, secondly, on the administrative law judge appeals funding, the administration has put $100 million in for Medicare hearings and appeals. And I know that is a little more than was in last year, but I

question whether or not it is enough. And what are you going to do until the proper funding level is reached to make sure that our constituents don't get hung up in this void?

Secretary Sebelius. Congressman, the training grants will be consistent with the workforce goals, which include targeting more physicians to primary care and understaffed specialties, encouraging the practice in rural and underserved areas, and encouraging training in some of the key competencies for delivery system reform.

So I think it is very consistent with the outline that you have made about your goals in workforce. And I think that HRSA, the Health Resources Services Administration, who would be administering these training dollars, have the expertise in identifying the underserved areas throughout the country and the whole workforce capacity issue. And that is why I think this program is really on target to try and not only train the providers that we are missing but making sure, connecting them to the areas that are the most underserved.

In terms of -- what was your second? Oh, yes, the administrative appeals. We are doing two things simultaneously, and we would welcome the opportunity to work with Congress. We don't want to recede from what are appropriate examinations of overcoding and overbilling and fraudulent activities; on the other hand, I think there are some system changes we can put in place.

But we share your concern that beneficiaries should not be in some queue waiting for appeals to be made, and we are trying to triage the system. But we would love to work with you on it.

Chairman Camp. All right. Thank you.

Mr. Smith?

Mr. Smith. Thank you, Mr. Chairman.

And thank you, Madam Secretary, for taking time to have a conversation with us today. Obviously, the issues are very important. I am concerned that some of the policies enacted out of Washington, D.C., are actually hurting the very people, individuals they were intending to help.

If you could elaborate or reflect a bit on critical access hospitals. We know that that is a singular designation for a number of different approaches in various parts of the country. And, obviously, I represent a large number of critical access hospitals in rural Nebraska. I am sure you are probably familiar with facilities in Kansas.

The treatment of these hospitals, with kind of a cookie-cutter, one-size-fits-all approach, whether it is the 96-hour rule or whether it is the physician supervision, these are very cumbersome and burdensome. I have tried to find out exactly how and why they were adopted or proposed, even, from HHS and CMS.

Have those saved money? I mean, can you point to the effectiveness of these things? Because it seems to me that the very professionals who are trained to make healthcare decisions find Washington, D.C., meddling and standing between a patient and their provider.

Secretary Sebelius. Congressman, I certainly share your concern about the important nature of critical access hospitals. And, as you say, coming from the State of Kansas, where vast territory is rural and closing a hospital often means closing a community, I know how essential a hospital presence is.

I think that what the administrators at CMS are trying to do is find the appropriate balance. As you know, critical access hospitals are still paid more than 100 percent of Medicare reimbursement. There is evidence that the proximity of one hospital to another, kind of, belies the definition of critical access --

Mr. Smith. But that doesn't lead to -- these arbitrary regulations, say, physician supervision, for example, you know, requiring a physician to be on the premises, on the same floor of the premises, when a phlebotomist might draw blood in order to be reimbursed, it seems to me that that would actually drive up the cost of the delivery of care rather than find an efficiency.

Secretary Sebelius. Well, again, I would be happy to take the specifics back and try to find the evidence behind why specific recommendations were made. I can assure you that at least the staff that is looking at these situations is very concerned that patients not be jeopardized by the care and trying to not add administrative burden.

But I would be happy to, if you could give me some specifics --

Mr. Smith. Absolutely.

Secretary Sebelius. -- and get the evidence back to you.

Mr. Smith. Thank you. And, again, I think these are examples that I hope we can avoid of the Federal Government standing between a patient and his or her provider.

Thank you. I yield back.

Chairman Camp. Thank you.

Mr. Buchanan?

Mr. Buchanan. Madam Secretary, thanks for being here today.

I want to touch on the biggest issue in our area, employer mandates. A lot of people are concerned. I am looking at a New York Times article. It is about 2 weeks old; I would be glad to give it to you. But it says cities, counties, public schools, community colleges around the country are being limited or reducing hours in terms of part-time employees to avoid paying healthcare insurance under the ACA. And this is coming from State and national leaders from around the country.

Are you aware of this? And do you have any sense of the impact that this is having on communities? And I can tell you in our community, in Sarasota-Bradenton, Florida, it is a gigantic issue.

Secretary Sebelius. I have heard, Congressman, certainly, conversations about the 30-hour, kind of, cliff: that more than 30, people would be required to provide health coverage for those employees; less than 30, they would not. Again, I think there is disputing evidence of what is happening with that, but we are watching it very closely --

Mr. Buchanan. I would just ask you to take a look at it. We need to clearly -- because this is -- I know we are trying to get more health care out there, but everybody is taking, in a sense, a 25-percent pay cut.

I also want to mention something you said earlier, about the fact that it only affects 2 percent of the businesses. Do you have any idea -- it is one way to spin it or present it, but do you have any idea what the 2 percent make up in terms of the number of jobs, the impact in the country? Do you have any sense of what that 2 percent is?

And I will say that because I have one employer in my area, they have over 1,000 employees. They are moving most of their employees from 40 hours to 29, and they are part of the 2 percent. But I think you are looking at 20, 30 percent of the jobs across the country are going to be impacted by these mandates. And

even though you are pushing the mandates off, people are making those adjustments in the public sector and the private sector today. So we are very concerned about that.

But I would like to have you get back to me on what that 2 percent makes up.

One other thing I want to just mention, in terms of the taxes and revenues. Part of the reason we are having a record surplus this year -- not a surplus, but a record revenues this year is because we did increase taxes 25 percent. We went from 35 to 44. That is what the passthrough entities are paying that create a lot of the jobs in the country. And if you look at the taxes for State and Federal, the average across the country is 49.6.

So I don't know how much more burden we can put on our employers across the country, as we, as you have mentioned, we need additional revenues. I hope you are not considering going after more passthrough entities that are the job creators of America.

Secretary Sebelius. Congressman, one thing I would point out is that the recently released rules by the Treasury Department did look at the 30-hour employee and particularly the, kind of, mixed work group where part-time and full-time, and indicated that employers, if they offer coverage to 70 percent of their employees, would meet the criteria.

I would tell you that the 30-hour definition came out of the offerings in the private-sector marketplace prior to the Affordable Care Act. That is what employers chose to do, that people who were working more than 30 hours were defined as full-time employees, people who were working less -- so as the Congress looked across the country, that is where that hour rate came from.

But we are watching, as I say, that very closely.

Chairman Camp. All right. Thank you.

Mr. Doggett?

Mr. Doggett. Thank you, Mr. Chairman.

Madam Secretary, so much of the original promise of the Affordable Healthcare Act has been undermined by faulty implementation that has sometimes been indifferent to local concerns. Last month, the Congressional Budget Office, as you know, concluded that faulty implementation of the healthcare law, quote, "impeded so many people's enrollment in exchanges that 1 million fewer people will actually obtain exchange coverage this year than they had previously projected."

From your testimony this morning, it is clear we will not have 7 million or even 6 million. And, of course, the number that is really important is not how many people have enrolled, but how many people have paid their premiums and are actually getting exchange-based coverage, a number we have never been given.

As you are aware, since last August, I have been voicing concerns to your office about implementation in Texas. At best, less than 10 percent of exchange-eligible Texans have selected a plan. In other words, more than 90 percent of the people whom we wrote this law to get exchange coverage have not been covered.

To meet your projections, we would need to enroll and have premiums paid for as many people this month as have been enrolled since the beginning in October to yesterday, or last week.

This is much more than a Web site problem, though I believe that the individual assistance program there has been handled with about the efficacy of the original Web site rollout. I have been unable to get straight

answers about even who is responsible for coordinating in-person assistance in Texas -- a place where we have multiple assisters in some areas and none in many others.

I have sought to get even just a dedicated line so that the certified counselor, who yesterday had put in 10 hours trying to help one person, would be able to call a line dedicated to assistance counselors to be able to get prompt assistance and help people get enrolled in this. But there has been no response from HHS or CMS about that.

It seems to me that we are to a point where, instead of just circling the wagons against all the political arrows that are shot against this plan, we need a little more accountability, and we need to ensure that the next enrollment period is not handled as poorly as the last one.

I am very interested in answers to the questions that the chairman raised at the beginning of this hearing. We haven't gotten them yet, and I hope that we do get them.

We come at this from a different perspective, but taxpayers deserve to get their money's worth. And I think much of the focus as it relates to in-person assistance needs to be to find out -- and I assume, Mr. Chairman, that some of these questions I have been raising since last fall can be submitted by you with your questions for prompt answers, such as how much it costs us per person who is actually insured through the exchange for some of these contractors that have been providing these services. Two Washington Beltway contractors have been paid $9 million for in-person assistance in Texas. I have been unable to find out what it costs per enrollee for those persons.

And so I think that, while our goal should be to try to improve and strengthen this act, if it is to perform any better in the next enrollment period than it has in this one, we need answers to these questions to get the taxpayer their money's worth and to get the promise of this act fulfilled.

And I yield back.

Chairman Camp. All right.

At this time, Dr. Price.

Mr. Price. Thank you, Mr. Chairman.

Welcome, Madam Secretary, back to the committee.

I think you sense a growing lack of trust that we reflect from our constituents. Americans have a growing lack of trust in their own Federal Government. I think there is no doubt about that. And I would suggest that Obamacare is really the poster child for one of the reasons that exists or that is increasing is because word isn't matching deed. Promises have been made and absolutely broken.

And as a former practicing physician, it is distressing because we are not talking about just some nebulous program now; we are talking about real people's lives. And in so many ways, some of the stories that you have heard here, real people are getting harmed.

In spite of that, you have the Senate Majority Leader, Harry Reid, taking to the floor of the Senate and saying any story that decries a problem with Obamacare, all of them are lies. Do you agree that all of these stories that have been raised are lies?

Secretary Sebelius. Congressman, I did not hear what Senator Reid said. And, of course, there are lots of anecdotes of lots of people and --

Mr. Price. If you were to --

Secretary Sebelius. -- lots of success stories.

Mr. Price. If you were to have heard the Senate Majority Leader say all the stories --

Secretary Sebelius. Yeah, I --

Mr. Price. -- about ACA are lies --

Secretary Sebelius. -- I really don't want to comment on his comments. I didn't hear them.

Mr. Price. Again, it is -- and that is the kind of trust that is lacking, because it begs for --

Secretary Sebelius. I just said clearly there are lots of people and lots of real stories. I don't assume that people are lying, no.

Mr. Price. Let me go to some specific questions. You mentioned in your opening remarks 4.2 million people have signed up on the exchange, and I want to get to some of the concerns that others have.

How many of those that have signed up, that have enrolled in Obamacare have paid their premium?

Secretary Sebelius. I can't tell you that, sir, because I don't know that.

Mr. Price. How can it be that HHS, in charge of this program, cites a number, 4.2 million people signed up, but has no idea how many people have paid?

Secretary Sebelius. Because the consumers don't pay us; they pay their insurance company. We can tell you who has enrolled --

Mr. Price. You can get information from the insurers?

Secretary Sebelius. We get information now in aggregate form of the customers who qualify for --

Mr. Price. Let me ask another question.

Secretary Sebelius. -- a tax credit. Not all their customers do, and --

Mr. Price. How many of those, of the 4.2, were previously insured?

Secretary Sebelius. I do not know that, sir.

Mr. Price. Isn't it true that many Members of Congress are in that 4.2 million? We had insurance before; we were forced off that insurance --

Secretary Sebelius. I assume if you have signed up on the exchange, you are in that number, yes, sir.

Mr. Price. McKinsey did a recent survey that said 27 percent of those joining the exchanges were previously uninsured. And that is a low number compared to what you all projected. Is that consistent with your information?

Secretary Sebelius. Again, we don't collect the previously insured. I think these questions would be -- we would be happy to give them to you as soon as we have accurate information. In the meantime, insurers have this information about their customers, because that is who is being paid and that is who is enrolling.

Mr. Price. It begs credulity, Madam Secretary, that you don't know the answers to these --

Secretary Sebelius. These are private insurance plans, and customers are --

Mr. Price. You all are charged with running the program.

Secretary Sebelius. -- buying a private product from a private insurance plan. We qualify them, we get their tax investigation to make sure they qualify, and then send them to their company --

Mr. Price. The American people trust that you --

Secretary Sebelius. -- and they enroll with the company.

Mr. Price. -- know what you are doing, and you are not fulfilling the bill.

Chairman Camp. All right.

Secretary Sebelius. This is not Medicare or Medicaid, sir. It is a private plan in the private market. It is not government insurance, in spite of the fact that it has been characterized that way. People are buying a product in the private market.

As soon as we have accurate information, we will give it to you, but we do not currently have information about how many people have paid.

Mr. Price. Sounds like last fall, Mr. Chairman.

Chairman Camp. All right.

Mr. Gerlach?

Mr. Gerlach. Thank you, Mr. Chairman.

Madam Secretary, there is a section in the ACA on a reinsurance tax; is that correct?

Secretary Sebelius. Yes.

Mr. Gerlach. What is the purpose of that reinsurance tax, the proceeds from that tax?

Secretary Sebelius. Well, there actually are three components of risk corridors, reinsurance tax, and risk adjustment. A 3-year program that, again, is paid for by the insurance companies --

Mr. Gerlach. Right.

Secretary Sebelius. -- operating in the market, and it is to really balance the risk pool. It is exactly the same as the risk program --

Mr. Gerlach. Does the reinsurance tax --

Secretary Sebelius. -- in Part D when Part D started --

Mr. Gerlach. I am focused on the reinsurance tax, in particular. Are the revenues to be used to fund other portions of the act, including exchanges?

Secretary Sebelius. The revenues will be used to balance the marketplace.

Mr. Gerlach. How much is expected to be raised in the reinsurance tax this year?

Secretary Sebelius. I was just told that figure is $10 billion for this year.

Mr. Gerlach. Okay. But there is also a proposal out there to provide waivers to some of those that are right now under the law to pay that reinsurance tax; is that correct? In particular, unions?

Secretary Sebelius. Oh, yes, this is the -- I am sorry -- the rule that if you are self-administered and a self-funded plan, you do not pay the tax, and that is not exclusive to unions. There are a lot of self-administered, self-funded plans that are not paying the tax.

Mr. Gerlach. Okay. So how much relief under this waiver will unions receive as a result of this rule?

Secretary Sebelius. I could get you that information in writing.

Mr. Gerlach. Could you give me a ballpark right now?

Secretary Sebelius. I can't.

Mr. Gerlach. Okay. Well, I find it curious that -- the reinsurance tax section of ACA is very clear as to who is to pay that tax. It is to be used, then, to help fund aspects of the ACA, including exchanges. And yet the President is requesting an additional $1.8 billion in his budget request for program management to continue to build and operate exchanges.

So what it seems to me is, you are providing a waiver to perhaps what would be termed "political friends" not to pay what the law requires them to pay, but then coming back to the taxpayers and asking them for more money to help fund the exchanges.

Secretary Sebelius. Well, sir, the statutory language talks about issuers or those who operate plans with third-party administrators. And the self-funded, self-administered plans, which are a much broader category than you have just described, are not in the statutory configuration of the law.

In addition --

Mr. Gerlach. Okay. Just so --

Secretary Sebelius. -- the 1.8 --

Mr. Gerlach. -- I am clear on what you are saying, Madam Secretary, just make sure I understand what you are saying, it is your determination that those that are being granted this waiver are not covered by the language of the act, and therefore --

Secretary Sebelius. They are not --

Mr. Gerlach. -- you are granting that waiver.

Secretary Sebelius. -- an issuer, or do they operate with a third-party administrator, yes. Self-funded, self-administered plans -- again, much broader than the category of unions; there are many who operate that way -- are not specified in the statutory language.

Mr. Gerlach. Then why were unions jumping up and down asking for this relief if they weren't covered by the tax to begin with?

Secretary Sebelius. I can just tell you that is what the statutory language says. That was our interpretation of the statutory language. That is the rule we put out. The $1.8 billion that you suggest, 1.2 of that will be paid for by user fees. $600 million is the request for appropriation.

Chairman Camp. All right.

Mr. Gerlach. Thank you.

Chairman Camp. Mr. Becerra?

Mr. Becerra. Thank you, Mr. Chairman.

Madam Secretary, great to have you with us.

Actually, before I go to some of the questions about the Affordable Care Act, I wanted to check in with you regarding the financial alignment demonstration project being carried out in California, called the Dual Eligible program, for beneficiaries who receive both Medicare and Medicaid.

We share the goal of ensuring that everyone who transitions into this program will have uninterrupted, quality health care that they can count on. And I just wondering, will you and CMS Administrator Tavenner keep us informed as you continue the rollout so we can make sure that there is a successful implementation of that program?

Secretary Sebelius. Yes, sir, we will.

Mr. Becerra. Appreciate that.

Now, I know that, even today, if anyone is watching, there is no reason why folks should not be left with some sense of misunderstanding about what is going on. The disinformation and scare tactics that have been used over and over again have been difficult to combat. But I wanted to just make sure about something.

As I read the facts, since the passage of the Affordable Care Act, you mentioned that several million people have now become insured. In fact, I think you mentioned that over 4 million people now have private health insurance.

Did you mention the 3-or-so million young Americans who have insurance as a result of the Affordable Care Act, that now they can stay on their parents' insurance policy?

Secretary Sebelius. I did not mention that.

Mr. Becerra. And that is about over 3 million or so?

Secretary Sebelius. Yes, sir.

Mr. Becerra. And we have some --

Secretary Sebelius. Three million previously uninsured. Far more young adults are on their parents' plan, but 3 million previously uninsured young adults.

Mr. Becerra. Got it.

And we have some 4 million or more individuals who now have health coverage as a result of Medicaid?

Secretary Sebelius. Closer to 8.9 million in the Medicaid. Some of those are renewals; some of them are newly eligible in States that chose to expand their Medicaid program.

Mr. Becerra. Right. So the 8-million-plus number includes people who probably qualified before but had -- or who just transitioned from current Medicaid, what they had before to what they have now.

Secretary Sebelius. Some States require yearly renewals, and they are included in that, but there are close to 9 million people who will have Medicaid coverage. A number of those are newly insured.

Mr. Becerra. So if I do the quick math, 9 million under Medicaid, 4 million with the private insurance under the marketplace, 3 million young adults, that is about 16 million Americans who have health security today that they might not have had before.

Secretary Sebelius. That is accurate.

Mr. Becerra. My understanding, as well, looking at the job numbers, that since the Affordable Care Act passed, more than 8 million jobs have been created in this country, not lost. And, in fact, if you look just at the -- I looked at just the healthcare sector, and in the healthcare sector, since the passage of the Affordable Care Act, we have seen over a million jobs created, just in the healthcare sector.

So as we continue to hear folks talk about job loss, that the Affordable Care Act will result in job loss, just the opposite is occurring. And, of course, we are also finding that we have seen a decrease in the rate of increase of the cost of health care, which I would think you would agree is a good sign.

Secretary Sebelius. I think that is a good sign.

And in the job front, we also see that the number of people working part-time hours is decreasing, the number of full-time workers is increasing.

Mr. Becerra. Mr. Chairman, if I could just add to the record -- ask unanimous consent to submit into the record the CBO's updated estimates that deal with job loss and the issues of employment and job creation.

Chairman Camp. Yeah, without objection.

Chairman Camp. Mr. Roskam?

Mr. Roskam. Thank you, Mr. Chairman.

Madam Secretary, we just heard from Mr. Becerra, who criticized critics, characterizing it as disinformation and scare tactics, and yet that wasn't what we heard from Mr. Doggett. Mr. Doggett was essentially admonishing the Department for a lack of information and a lack of accountability.

So I want to associate myself with the spirit of Mr. Doggett and also bring in one of the themes that Dr. Price was trying to articulate, and that is this: Wouldn't it be great, Madam Secretary, if Dr. Price, in the question that he asked, you were able to say, here is the answer, here is the answer, when he made the inquiry and you said, you know what, I don't have that information, I am just the Secretary of Health and Human Services, that is what the private insurance company -- that was your answer a minute ago. Wouldn't it be a great thing if you were to say, here is the information and here is the answer?

And the problem is, at least as far as the construction of the Affordable Care Act, as it is currently constructed, some of this information you may not know, some of it you may, but it is because of the limitations of the act itself.

So we have an inspector general, and your own inspector general is only able, Madam Secretary, to go and ask inquiries of Health and Human Services. That inspector general who reports to you cannot go and make any inquiries to the Treasury.

One of your earlier answers, you cited tax credits. Well, when it comes down to it, the HHS Secretary has no jurisdiction over tax credits. You don't know what is happening in that other department.

Wouldn't it be a good thing if we were to amend the law and you had that information and there were a special inspector general that had broad jurisdiction? Wouldn't that be a good thing?

Secretary Sebelius. I don't think that is necessary, and I think that is additional expenditure.

I will give you the information as soon as we have it. And we will have it --

Mr. Roskam. Yeah, but by your own admission --

Secretary Sebelius. -- from insurance companies, but we do not have it now.

Mr. Roskam. -- you don't know it.

So why is it a good idea to have a Special Inspector General for Iraq Reconstruction? Why is it a good idea to have a Special Inspector General for Afghanistan Reconstruction? Why is it a good idea to have a Special Inspector General for TARP oversight? Cumulatively, all of these have literally saved billions of dollars.

The Affordable Care Act, according to the Congressional Budget Office, is a $1.8-trillion expenditure. What is it that is sacrosanct that says that this should not be subject to that broad jurisdiction?

By your own admission, you don't know the answers to these questions, do you?

Secretary Sebelius. I could not answer Dr. Price's question because I don't have the information from the insurance companies yet.

Mr. Roskam. Right, because you can't --

Secretary Sebelius. We will have it, and I will --

Mr. Roskam. -- reach out.

Secretary Sebelius. This is in the private sector. This is not Treasury. This is private insurance companies --

Mr. Roskam. Right. That even begs the question --

Secretary Sebelius. -- 300 of whom are selling policies in the marketplace.

Mr. Roskam. You can't get to it. Your inspector general can't get to it.

Secretary Sebelius. This is not an inspector-general issue. It is private insurers who are selling plans to their customers. They can tell --

Mr. Roskam. That is even worse.

Secretary Sebelius. -- you how many of their customers have --

Mr. Roskam. It is ongoing --

Secretary Sebelius. -- paid their bills.

Mr. Roskam. -- and you don't have the information, and you don't have the capacity to have the information.

Chairman Camp. All right. I would just say, Madam Secretary, part of the frustration is that you did have the answer to the number of insured children, and that is also private-sector information, but yet, when we are trying to get further information, we don't --

Secretary Sebelius. That came directly, Mr. Chairman, from the insurers. And I am telling you, as soon as we have this information from the insurers -- we don't collect it. We didn't have it. They turned that in to us.

Chairman Camp. All right.

Dr. Boustany?

Mr. Boustany. Thank you, Mr. Chairman.

Madam Secretary, one of the glaring omissions in ACA was addressing the flawed physician payment formula under Medicare, SGR, the sustainable growth rate formula. A lot of work has been done. It has been a thorny problem facing Congress for quite a while, and over the past few years, we have actually gotten to an agreement on a policy -- bicameral, bipartisan.

So first question: Does the administration agree with this policy, and will the administration support this policy?

Secretary Sebelius. Well, as you know, Congressman, the President has supported a long-term fix of the SGR long before the Affordable Care Act was signed into law. He has included it in every budget. And, yes, we do support the bicameral position.

Mr. Boustany. Okay.

The other issue is going to be paying for this. And this will be a difficult fight, obviously, and it certainly can become a partisan fight. But in the interest of trying to get something done, will the administration come forward and work with Congress, work with the Senate, to try to get to a solution on this?

Secretary Sebelius. We would be eager to do that. The first couple of budgets that the President put forward had specific pay-fors. Those were rejected. He does assume that the SGR is fixed; we have put that in our baseline for the next 10 years. We would be happy to work with Congress.

Mr. Boustany. And pursuant to that same question, the President, in the past, put on the table some Medicare reforms that would help, I think, improve the outlook of Medicare over the long haul, one being combining Medicare Part A and Part B into a single structure, making it work more like a modern insurance type program. Second was limited means-testing.

Does the President still support these?

Secretary Sebelius. I think, as you know, Congressman, that was put on the table as part of a global package of both entitlement and structural spending reforms. And we would be eager to talk about those issues in that, kind of, global package.

Mr. Boustany. But not within the context of reforming SGR, which is a pretty big piece.

Secretary Sebelius. Well, the SGR does impact, certainly, Medicare physicians. It is probably the single biggest threat to Medicare's future in terms of beneficiary service, the looming cuts.

Mr. Boustany. It is a threat to access.

Secretary Sebelius. So we are eager to talk about pay-fors, but I think having a more global discussion about entitlement reform, tax reform, and revenues is also something we would be eager to --

Mr. Boustany. And, finally, is the administration willing to put forth the capital to try to solve this before the end of March so that we can avoid another patch, which will be expensive?

Secretary Sebelius. Put forward the capital -- again, we would be happy to have the discussion with Members of Congress about what the pay-fors might look like.

Mr. Boustany. Thank you, Mr. Chairman.

Chairman Camp. Thank you.

Mr. Neal?

Mr. Neal. Thank you, Mr. Chairman.

Madam Secretary, I want to come back to you in a few moments about as the trustee of Medicare and Social Security, but just a reminder here that the Democratic minority vigorously opposed the original Part D prescription drug benefit plan offered by the Bush administration because we did not think it had gone far enough. Upon ascending to the majority right after, we took the role not to undo what had been done but instead to work hard to improve it, and closing the donut hole was a pretty masterful piece of work. And now there is broad acceptance of the whole notion of the Part D benefit. Now, I wish that that would have been the model that we would have adopted in Congress for working with ACA.

But let me draw your attention specifically to a couple of issues: graduate medical education and the role of Medicare in financing our hospitals across the country. As you know, in Massachusetts, our hospitals would be the equivalent of what Boeing perhaps means to the Pacific Northwest. I think that is a reasonable description in terms of not only the success that they have but the employment opportunities that they present.

You, I think, by law, have to sign every year a document certifying as to the longevity of Medicare. Is that correct?

Secretary Sebelius. Yes, sir.

Mr. Neal. Would you talk a little bit about what ACA has done to that signing?

Secretary Sebelius. Yes.

The first year I was a Medicare trustee in 2009, the anticipation was -- the actuarial projection was that Medicare would begin to be insolvent -- not that they wouldn't have any money, but they would have about 70 cents on the dollar -- by 2017. So, in 2009, it was a 2017 cliff.

The passage of the ACA added years to that solvency, according to the actuary who looked at the law and the impact over time, and subsequent budgets have also added years. So we are now, the 2015 budget, according to the actuarial projection, would add an additional 5 years to the solvency of the Medicare Trust Fund.

So during this administration, I would say significant solvency years have been added.

Mr. Neal. Are there Republican trustees?

Secretary Sebelius. Yes.

Mr. Neal. Do they sign the document?

Secretary Sebelius. Yes, they do.

Mr. Neal. And did they sign?

Secretary Sebelius. Yes.

Mr. Neal. Okay.

My point is that, here is an example, again, of a very good story, much like the one that Secretary Lew presented about deficits in his appearance before the committee recently, and it is frequently underreported in terms of the good news, because the emphasis remains on the conflict of the story as opposed to the substance of the story.

So I would hope that you use the opportunity, with Medicare solvency, graduate medical education, to promote the notion that this is a widespread success story on that basis.

Secretary Sebelius. Thank you.

Chairman Camp. All right. Thank you.

Mr. Reichert?

Mr. Reichert. Thank you, Mr. Chairman.

Madam Secretary, in response to Mr. Reed's question regarding legislation, your answer was that there was no legislation that has passed Congress. Are you aware that there are actually eight pieces of legislation that have passed Congress and have been signed by the President in regard to the Affordable Care Act?

There are eight pieces of legislation passed by Congress and actually signed into law by the President. So there is another -- I think you ought to go back and review the laws that have been passed that affect the law that you are trying to implement.

I want to go back real quick. It has been 4 years since passage of the healthcare law, nearly 6 months since the exchanges opened for business. So let's look back at the 4 years.

In January 2010, the President spoke at the White House Republican Retreat and acknowledged that some stray cats and dogs were added to the healthcare bill and that some of the provisions that got snuck in the law might have violated the pledge that, if you like your healthcare, you can keep it; if you like your doctor, you might be able to keep your doctor.

In February 2011, during your testimony and my questioning, you said, in response to whether or not you can keep your doctor or your health care, you said, "I don't think there is any language in the bill that interferes with the current system." Again, you were wrong.

Again, in February 2012, when I raised these same concerns, you said. "The notion that somehow companies in grandfathered plans will not be able to keep their grandfathered plan is really not accurate". Again, you were wrong.

Yet, due to the law's many mandates and the regulations put out by HHS under your leadership, as many as 5 million Americans have lost their existing healthcare plans. The law has created so many disruptions that the President announced, perhaps illegally we think, that States and insurers can begin to ignore the law.

In fact, as Mr. Reed said, there are 37 changes to the law. September 24th, September 26th, October 23rd, November 14th, there were seven more changes to the law. On November 21st, November 22nd, January 1, November 27th, and 30th of November, December 12th, December 19th, December 23rd.

And then, Secretary Sebelius, you were on Fox News and assured the American people who were watching Fox News at that time that there would be no more delays. Yet, on January 10th of this year, another delay; January 14th, another delay; and then February 10th, another delay.

Are there any further delays? Can you make a promise to the American people today, another promise, Madam Secretary, that there will be no more delays to the so-called Affordable Healthcare Act?

Secretary Sebelius. We will continue to put out regulations --

Mr. Reichert. Do you make a promise to the American --

Secretary Sebelius. -- and policies as we go through this act.

And, sir, I would like an opportunity to correct some of the, I think, misstatements.

Mr. Reichert. Will there be --

Secretary Sebelius. There is nothing in the law that would stop insurance companies --

Mr. Reichert. Will there be further delays, Madam Secretary?

Secretary Sebelius. There are no planned delays in the law that --

Mr. Reichert. Do you consult with HHS when you -- or, pardon me. Do you consult with the Treasury Department before announcing any delays and changes?

Secretary Sebelius. Sir, most --

Mr. Reichert. Do you consult with --

Secretary Sebelius. -- of the regulations that we --

Mr. Reichert. -- Department of Treasury --

Secretary Sebelius. Most of the regulations that are written are written --

Mr. Reichert. Do you consult with the Department of Treasury, yes or no?

Secretary Sebelius. Sir, the regulations require three agencies' participation: Treasury, Labor, and HHS. So there is broad consultation.

Mr. Reichert. Okay. Thank you.

Chairman Camp. Mr. Ryan is recognized.

Mr. Ryan. Thank you.

I would just quickly say to my friend from Massachusetts, he should look at the unprecedented original appendix of the trustees' report that talks about the double counting that occurred. And the putting Part D on the credit card, the Democratic proposal was more than double the credit card bill.

Here is what I want to ask, Madam Secretary. We keep this list here in the Ways and Means Committee about all the delays. We have 23 so far. One I want to ask you about is IPAB, the Independent Payment Advisory Board.

In your Table S-9 of your budget, last year you claimed in your budget you are going to save $4 billion from IPAB's recommendations. This year, you tripled that to $12.9 billion for IPAB's recommendations. This is above and beyond all the provider cuts that are in the ACA to pay for the ACA.

So here is my question: Where are we with IPAB? They have given us their last April report. I assume another one is forthcoming from the actuary. But where is IPAB itself? When are you going to submit the names?

If you don't do that, as you know, the law lets you, one person, submit the plan to save the $12.9 billion. So what is happening with that? And if you are going to do it, how do you come up with the $12.9 billion? Where is that savings coming from?

Secretary Sebelius. Well, Congressman, the President has not yet sent to Congress names for the nominees of IPAB. But, as you may know, the law is constructed in a way that IPAB wouldn't trigger any recommendations unless there is a gap between what the trajectory --

Mr. Ryan. I realize that, and you are claiming $12.9 billion.

Secretary Sebelius. So they would not have any recommendations to make in the foreseeable future. Nor would I take any action in the foreseeable future --

Mr. Ryan. Okay, so how --

Secretary Sebelius. -- as long as the cost trajectory is --

Mr. Ryan. So are we to ignore the fact that you are claiming $12.9 billion in savings from IPAB?

Secretary Sebelius. I think the President intends to submit names to Congress as we watch the cost trajectory -- if the cost trajectory changes, and IPAB will be in full effect. And those recommendations are presented to Congress, as you know, not to me. They come to Congress.

Mr. Ryan. No, I realize that.

Secretary Sebelius. And if Congress doesn't change them, then they go into effect.

Mr. Ryan. Or you just recommend them, if there is no IPAB at the time.

Secretary Sebelius. If there is no IPAB, that is correct.

Mr. Ryan. So you have no answer to where the 12.9 is going to come from?

Secretary Sebelius. We are optimistic that the current trajectory of Medicare costs would actually negate any impact of IPAB or me taking any kind of action in the foreseeable future.

Mr. Ryan. That is another way of saying, ignore our budget because it is not real.

Secretary Sebelius. I think the IPAB recommendations are based on an actuarial --

Mr. Ryan. No, I understand.

Secretary Sebelius. -- of out-year costs --

Mr. Ryan. You go from GDP of 1 to GDP of 5, I get all that. You did that last year; you went to GDP .5 last year. And you still had $4 billion. Now you triple your savings to 12.

And the question is, where is it coming from? What are those justifications? What is the assumption you are using to claim this savings to show how your budget is put together?

Secretary Sebelius. I think the actuarial projection is that out-year Medicare costs will rise again.

Mr. Ryan. Right.

Secretary Sebelius. So far, they have been incorrect about those increases. We are hoping that they continue to be incorrect. And so, if the IPAB indeed does rise -- I mean, I am sorry --

Mr. Ryan. Yeah, the -- I understand.

Secretary Sebelius. -- the trajectory rises, IPAB would kick into gear, and we will make recommendations through the IPAB to Congress about those specifics.

Mr. Ryan. Okay. So you are saying, though, just so you know, in your own budget, it is going to triple from this year to last year. That is coming. It is above projection. You have it in your budget. But you are telling me you have no idea where in Medicare you are going to cut to get that, is basically what you are saying.

Secretary Sebelius. It is based, again, on what the actuary, the independent actuary --

Mr. Ryan. I understand that.

Secretary Sebelius. -- says will happen in out-years. Currently, we have not made specific recommendations about any cost cuts because none of that is actually happening right now.

Mr. Ryan. Okay. I know time is out. When are we going to see the names? What are we going to see IPAB --

Secretary Sebelius. I can't tell you. They come from the President.

Mr. Ryan. All right.

Secretary Sebelius. I don't know when you will see them.

Chairman Camp. All right.

Mr. Davis?

Mr. Davis. Thank you, Mr. Chairman.

Madam Secretary, thank you very much for being here. But, also, I want to thank you for the Medicaid waiver for Cook County in the State of Illinois. As a result of that action, the Governor's expansion of Medicaid, and a lot of hard work on the part of a lot of people, Illinois is doing much better in signups for the Affordable Care Act than many other States. And for that, we are indeed grateful.

I am a big fan of home-visiting programs and community health centers, and I am pleased to note that both are included in the budget. As a matter of fact, I get my personal care at one of these centers in Chicago at the Mile Square.

Could you elaborate on the value and effectiveness of these two programs that relates to providing health care for especially low-income people?

Secretary Sebelius. Well, Congressman, I share your high regard for both programs. I think that there is no question the community health centers are the backbone of primary-care delivery in this country in rural and urban areas. They are proven time in and time again to deliver lower-cost, high-value primary care.

And thanks to both investments from the Recovery Act and ongoing investments through the Affordable Care Act, the footprint of health centers is spreading, increasing services and increasing clients. And we are now going to be able to serve about 31 million people, including yourself. And I think they are an incredibly important -- play an incredibly important role, particularly in underserved communities.

In terms of the home-visiting program, again, lots of very strong scientific evidence that it makes a huge difference to help give parents the tools to be the best parent they can be, that having a professional encounter with young parents is often extremely beneficial as a pathway to an early strong start in learning.

So the President's budget, as you say, both increases the voluntary home-visiting program as well as continues to expand the footprint, both new sites and additional services at sites, for the community health center program.

Mr. Davis. Thank you very much.

And I would like to just point out that our experiences in Illinois with the Affordable Care Act have not been automatic, but our experiences have come as a result of a large number of people believing in the program, believing that it will work, and then working to make sure that it does work.

So I thank you very much and --

Secretary Sebelius. Well --

Mr. Davis. -- yield back.

Chairman Camp. Thank you.

Secretary Sebelius. -- I don't think it comes as a surprise that in States where the Governor is very supportive, where there are delegation members, providers, others reaching out, there is a more positive experience than -- Congressman Doggett has mentioned Texas, where there are not only barriers but significant laws that have been passed which make it very difficult for a lot of the outreach people to even do the job they were contemplated to do.

Chairman Camp. All right. Thank you.

Mr. Tiberi?

Mr. Tiberi. Madam Secretary, Mr. Young submitted for the report this report, "The Irony of Obamacare: Making Inequality Worse." I would like to read the conclusion, which says, "For 2 years, labor unions, employer partners have patiently explained to the Obama administration and Congress the potential damage that the ACA poses to these unique successful nonprofit plans.

"Having already made efforts to accommodate businesses, churches, congressional staff, it is ironic the administration is now highlighting issues of economic inequality without acting to preserve health plans that have been achieving the goals of ACA for decades. Without a smart fix, the ACA will heighten the inequality that the administration seeks to reduce.

"We take seriously the promise that if you liked your health plan you can keep it, period. UNITE HERE members like their health plans. UNITE HERE members' plans are ready to compete with the corporate giants of the healthcare industry if Washington will simply create a level playing field."

There were three articles in local papers in my district I would like to submit for the record, Mr. Chairman, that highlight this very issue.

Chairman Camp. Without objection.

Mr. Tiberi. The Mansfield Journal reported on Monday that only six of the Obamacare exchange plans in Richland County include the only hospital in the county, MedCentral, in-network. The Marion Star reported on Monday only 6 of the 26 Obamacare plans in Marion County have Marion General Hospital, again, the only hospital in Marion County, in-network. And, finally, the Newark Advocate reported only 6 of the 26 Obamacare exchange plans in Licking County consider the only hospital in Licking County, Licking Memorial, to be in-network.

That means that three-quarters of the exchange insurance plans in these counties don't give access to county residents to the only hospital and hundreds of doctors in network. And because many of my constituents now are facing the choice of being in-network and having to travel out of the county maybe 100 miles to a hospital and are now losing doctors that they had -- and these were people who had insurance and now have been forced to go into the exchanges. And in the county in which they reside, they can't even go to their hospital. This is a problem just beginning.

We spoke to a lady in the office yesterday, a central Ohioan, who wanted me to give you her name. Her name is Colleen. She had health care; now she is one of the 4 million in the exchange. And she has a plan that she is paying more for, that she doesn't like, that she actually lost her doctor. She liked what she had, she couldn't keep it, and now she can't even keep the doctor that she had.

So the articles aren't misinformation or disinformation. The union report -- not supportive of Republicans, by the way -- is not disinformation. And yet there seems to be a disinformation campaign within the administration that this is all just make-believe.

Madam Secretary, please help us reassure our constituents that the administration is going to deal with the reality that is hitting the ground, and that is people are losing their doctor and now they are losing their hospital.

Chairman Camp. All right. Thank you.

Mr. Schock?

Mr. Schock. Thank you, Mr. Chairman.

Welcome, Madam Secretary.

Yesterday, the House of Representatives passed a bill dealing with the Affordable Care Act that clarifies the religious exemption clause for a small segment of the population who, on their annual tax return, will have to basically verify that their religious conscience prohibits them from participating in traditional health care here in our country.

This is modeled after a law that the State of Massachusetts put into effect. In the State of Massachusetts, since 2006, only 6,000 residents have taken advantage of it, primarily Christian Scientists and others.

The bill passed out of the House yesterday unanimously. It is now headed to the Senate, where it enjoys bipartisan support -- Senators Ayotte, Schatz, Durbin, Bernie Sanders.

And I am just wondering if you could speak to whether or not you support this clarification in the religious exemption clause.

Secretary Sebelius. Congressman, I haven't read the language, but I will take a strong look at it. And I do know that it passed yesterday, but I haven't read the bill.

Mr. Schock. Will you get back to us with your opinion on it?

Secretary Sebelius. Sure.

Mr. Schock. Okay. Thank you.

Mr. Schock. Second question has to do with the administration's change in, or HHS's change in how you are handling the appeals process for Medicare providers. The Office of Medicare Hearings and Appeals has recently taken the unprecedented and unorthodox step in no longer accepting Medicare appeals for processing at the administrative law judge level.

Obviously, I am concerned about the current healthcare providers and current seniors who could be denied reimbursement, what effect that will have downstream, if you will, if they are not allowed their due process.

And then, of course, if we fast-forward into the implementation of the Affordable Care Act, if we set the precedent that HHS says we are not going to allow due process for current Medicare recipients, one would then assume perhaps that would be a practice that the agency would do for folks on the ACA.

Are you working through that? Do you see the administration standing firm in not allowing due process on the appeals?

Secretary Sebelius. Congressman, this is a major problem and issue. And I know that our head of the Office of Medicare Appeals has been here on the Hill briefing, in a bipartisan nature, both the House and the Senate just on what has happened over the last couple of years.

It is my understanding -- and I don't want to misspeak, but I will tell you what my understanding is, and if it is incorrect, I will correct it immediately -- that their initial decision to suspend hearings was not for beneficiaries but for hospitals and providers. So they were very concerned that beneficiaries not get caught in this --

Mr. Schock. Right.

Secretary Sebelius. -- huge queue and go to the back of the line.

In the meantime, they are looking at the whole array of systems which could alleviate the queue. The volume has about tripled over the last couple of years. We need to do some system changes. We need to work carefully with Congress. Because the last thing we want to do is have anybody give up their due process rights.

Chairman Camp. All right. Thank you.

Mr. Schock. Thank you.

Chairman Camp. Mr. Rangel?

Mr. Rangel. Thank you.

Madam Secretary, I am convinced that when the final pages of history are written, that your name will be included among the courageous pioneers that have brought health care to all Americans.

There seems to be some concern about the delay in the program. Do you recall when last we had a program for the Nation where all people would have access to health care?

Secretary Sebelius. No, sir.

Mr. Rangel. So that is since the beginning of the Republic?

Secretary Sebelius. Yes.

Mr. Rangel. And so this is the first time.

When we had Social Security, were there delays and legislation necessary to improve it?

Secretary Sebelius. Well, I would say both Social Security and Medicare certainly has transformed over time since they have been in place.

Mr. Rangel. So I understand that the enrollments are going up and that people young and old are applying?

Secretary Sebelius. That is correct. We put out information yesterday that, as of the end of February, about 4.2 million people had enrolled in the private market, another almost 9 million have qualified to be Medicaid-eligible, and 3 million young adults got their coverage earlier in the program thanks to their parents' plan.

Mr. Rangel. And that is young and healthier people, to bring the balance that we need.

Secretary Sebelius. Yes, sir.

Mr. Rangel. Is there any indication that they are all Democrats?

Secretary Sebelius. We don't have that information currently.

Mr. Rangel. Well, is there any reason to believe that Republicans are not in need of health insurance or they don't have preconditions or that they all are insured? Is there any evidence that Republicans will not receive the benefits of the Affordable Care Act?

Secretary Sebelius. No, sir.

Mr. Rangel. Well, in the 50 attempts to derail or to repeal the Affordable Care Act, which has passed the House, the Senate, and approved by the Supreme Court, is there any indication from the President if, by some stretch of our imagination, the repeal goes through the Senate as to what the President would be inclined to do?

Secretary Sebelius. I think he has indicated he would veto a repeal of the act.

Mr. Rangel. And so, has there been any suggestions, then, from the Republican leadership, since this is the law of the land and is universal and bipartisan as it relates to the beneficiary, have there been any suggestions from the Republicans as to how we can improve upon this bill -- that is, the provision to provide health care for everyone? Have they suggested to you anything that makes sense?

Secretary Sebelius. Well, there have been a number of conversations, and I would say some productive conversations. Unfortunately, I think the suggestions of how to improve are often tied to suggestions of --

Mr. Rangel. Well, Madam Secretary --

Secretary Sebelius. -- how to repeal.

Chairman Camp. All right. Time has expired. And I would just say --

Mr. Rangel. Oh, that is terrible --

Chairman Camp. -- there have been suggestions --

Mr. Rangel. -- because I wanted to congratulate the chair, and I will insist on congratulating him, as being a part of that Republican Party that has tried to be constructive on legislation. And I thank you --

Chairman Camp. Well, thank you.

Mr. Rangel. -- for your courtesy.

Chairman Camp. There is always time for that.

We are just down to Mr. Levin and myself. And I just want to return to this issue about how many individuals have paid their first month's premiums. And I realize that you have repeatedly said under questioning that you don't have that information yet.

But I just want to make the point that we are 2 weeks away from the end of the 6-month open enrollment. And, you know, I know there has been -- you know, HHS has spent $2 billion building these exchanges. And your own budget document states, and I quote, "CMS administers the insurance affordability programs on behalf of all marketplaces. This process involves receiving enrollment information from marketplaces, including the level of APTC selected to calculate and distribute monthly aggregate payments to issuers for APTC and CSR owed".

But given all the time and the critical need that your own department has for this basic information, I think it is just absolutely critical that we find a way to get this information.

And there are reports that up to 20 percent of individuals who have selected plans have not actually paid their premiums. And I don't know if this is in line with what you are seeing. Do you have any information along that line about, is the 20 percent in line with what you have been finding out?

Secretary Sebelius. I think, again, Mr. Chairman, the 20-percent number came from insurance companies, if I recall, about the first of the year, where they were heartened by the fact that, even though the deadline for payment of the first month's premium -- and many people, if you will, enrolled for the first time in December, and we have had, kind of, 3 months of strong enrollment -- they were heartened by the fact that they had about an 80-percent payment rate.

But, again, that did not come from us. We will eventually, when the fully automated financial system is in place, have that information and be glad to share it with the committee in real-time basis. We just don't have it right now.

Chairman Camp. Well, and I think there is such an interest in this for one reason, is that we know that at least one and -- that you have made at least one, you are about to make the second payment to insurers for the premium tax credits and cost-sharing subsidies.

Secretary Sebelius. Yes, sir.

Chairman Camp. And so these payments reflect what insurers are telling you about how many people have paid their premiums.

Secretary Sebelius. They are an aggregate number based on only those customers who would be qualified for either cost-sharing or APTC. And that is not at all the entire look of the marketplace.

So we don't even have any information at this point, even in aggregate. We don't have individual information about the group that is premium tax credit. And the insurance companies, to get paid month 2, just restated the first month, as an indication that they did not have the full information.

So we are getting aggregate data about a portion of the marketplace and not individual data about customers.

Chairman Camp. Well, unless they have paid their first month's premium, they can't get a premium tax credit.

Secretary Sebelius. That is correct.

Chairman Camp. And so, obviously, that is in the jurisdiction of this committee. We are very interested to make sure that that is being used. And my --

Secretary Sebelius. And we are, too. And we will be trueing up with insurance companies a person at a time. We just don't have that at this particular point.

Chairman Camp. Have you asked the insurers for this information?

Secretary Sebelius. We have -- we are working, Mr. Chairman, on the automated system, which, at the end of the day, the 834, which is the process by which we send to the insurance company from the Web site Chairman Camp's name and wants to enroll in Blue Cross of Michigan, and there will be a process where they will send back the confirmed 834 that Chairman Camp paid his premium, and that will be the end of the loop. Currently, that part of the process is not in place.

Chairman Camp. Is there a coordination between the agencies on this? Because, obviously, some of this is administered between IRS and Treasury. Are you coordinating? I know in answer to some other questions you mentioned that some of this is involving more than one agency. So are IRS and Treasury --

Secretary Sebelius. Well, as in most bills, Treasury basically pays the bills. And they pay them based on a system of our presenting them with information, much the way Medicare bills are paid.

Chairman Camp. All right.

Mr. Levin, and then we will conclude.

Mr. Levin. Thank you.

Well, welcome.

I just want to ask that there be entered into the record, Mr. Chairman, three documents relating to the Medicare Advantage rates: one from the Secretary to the Speaker, one an article from the New York Times, and one a letter from beneficiary groups.

Chairman Camp. Without objection, they will be entered into the record.

Mr. Levin. And also ask that the CBO table on 4015 that will be coming up in the next couple days, with your amendment, showing that about 13 million people more would be uninsured, I ask that be in the record also.

Chairman Camp. Without objection, as well.

Mr. Levin. Thank you.

Chairman Camp. Well, with that, again, I thank you for your time this morning and --

Secretary Sebelius. Yes, sir.

Chairman Camp. -- appreciate that.

With that, this hearing is now adjourned.

[Whereupon, at 12:25 p.m., the committee was adjourned.]

Member Submission for the Record

The Honorable Jim Renacci

The Honorable Todd Young

The Honorable Pat Tiberi

The Honorable Sander Levin

The Honorable Xavier Becerra 1

The Honorable Xavier Becerra 2