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Congress of the United States

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING
(202) 225-3625

Washington, DC 20515-6348

<http://waysandmeans.house.gov>

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JANICE MAYS,
MINORITY CHIEF COUNSEL

March 25, 2014

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

We have recently obtained information that suggests your most recent testimony before the Ways and Means Committee was at best evasive and perhaps misleading. As such, we are writing to request that you make available to the Ways and Means Committee all information the Department of Health and Human Services has about how many individuals have paid their first month's premium in the new Exchanges.

As you will recall, this issue was discussed extensively at the March 12, 2014 Ways and Means Committee hearing at which you testified. As Chairman Camp stated at the time, "the committee still seeks some basic information about how many people paid their premiums."

Representative Tom Price (R-GA) asked you "How many of those who have signed up, that have enrolled in Obamacare have paid their premium?" You replied, "I can't tell you that, sir, because I don't know that."

In response to Representative Price's questions, Chairman Camp asked specifically about information related to payments made to insurers that reflect who has paid their first month's premium, to which you replied, "They are aggregate numbers based on only those customers who would be qualified for either cost-sharing or APTC and that's not at all the entire look of the marketplace so we don't even have any information at this point, even an aggregate."

New evidence obtained by the Committee strongly suggests that is not an accurate answer. In fact, there is specific information about who has paid their premium that CMS is collecting and using to make payments to insurers. On January 16, 2014, CMS posted a series of FAQs on the regtap.info portal. The portal is used by insurers to receive basic information about how to receive payments, what information is required of them and in what format, etc. The Committee has obtained FAQ 671, which states,

“[S]ubmitters will include the full enrollment and payment profile for January (i.e. all active enrollments for January effectuated through January 15th) ... The January restatement template should contain all enrollments effective during the month of January. It will capture what was already submitted to CMS in December (effectuated enrollments through 12/15) but will also capture enrollments effectuated after 12/15) ... submitters will include the full enrollment and payment profile for February (i.e. all active enrollments for February effectuated through January 15th). It will include enrollments that were previously effectuated for January and that are still in place in February.”

As you know, the term “effectuated enrollment” means that an individual has paid a premium. HHS guidance itself states, ““Enrollment into the QHP is not effectuated until the initial premium has been paid.” Insurers are submitting information to CMS about who has effectuated their enrollment, ie. who has paid their premium.

Please provide this information in its most updated form immediately. It will give the Committee and the American people real time information about the number of individuals who have paid their first month’s premium and are eligible for a tax credit or cost-sharing subsidy. That in and of itself is relevant and important data.

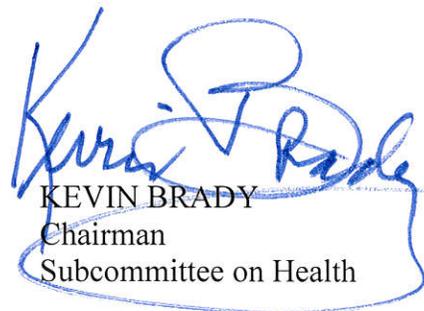
Equally important, it provides an accurate, if not precise, estimate of the number of individuals in total who have paid their first month’s premium. HHS’s enrollment report for March states, “83 percent of the persons who have selected a Marketplace plan have selected a Marketplace Plan with Financial Assistance.” If we know how many individuals who are eligible for financial assistance have paid their premium, a simple calculation will yield an accurate estimation of the number of individuals in total who have paid their premiums.

This information will provide the Committee with a far more accurate and clearer picture of the success and failures of the first open season than, “I don’t know that.”

We look forward to working with you and together developing a clearer and more specific understanding of how many individuals have paid their first month’s premium.

Sincerely,


DAVE CAMP
Chairman


KEVIN BRADY
Chairman
Subcommittee on Health