

Opening Statement of the Honorable Fred Upton
Subcommittee on Health
Hearing on “State of Uncertainty: Implementation of PPACA's Exchanges and Medicaid
Expansion”
December 13, 2012

(As Prepared for Delivery)

Only 13 months remain until PPACA is fully implemented and many questions still remain unanswered, leaving states in the dark about the future of the health insurance markets as well as clouding the status of their largest annual budgetary expenditure. Families are also left wondering whether their personal health plan that protects them today will be around in 2014 at a price they can afford.

States continue to express their frustration with the federal government's delay to provide the rules of the road of this massive regulatory undertaking. Since enactment of the president's law nearly three years ago, thousands of pages of regulations have been issued for states to review and analyze. Yet despite the daily rules and notices printed in the federal register, basic questions remain unanswered. For example, no final rules detailing federal benefit mandates and actuarial value have been issued for health plans operating in the exchanges. Benefit requirements and cost-sharing rules for those newly eligible for Medicaid remain unresolved.

Despite numerous requests for guidance after the Supreme Court declared PPACA's Medicaid mandate unconstitutional, states received little information from the administration for five months - until just three days ago, when the administration finally issued a non-binding "Frequently Asked Questions" document. This release however only addressed a fraction of questions. It should also be noted the administration issued the guidance for states with only three days remaining until tomorrow's HHS deadline forcing states to make a final decision on an exchange. This is not the way the federal government is supposed to work - especially when one-sixth of our economy is being transformed.

If the administration's inability to respond and answer states' questions and concerns is any indicator of how the rest of PPACA is going to be implemented, America faces indefinite uncertainty.

The administration's actions to date show that states are servants, not partners, under PPACA. The administration has not shown any willingness to work in partnership with the states; it is no wonder so many states have said no to the law's exchanges and Medicaid expansion.