

House Ways & Means Committee

Sabotage: The Trump Administrations Attack on Health Care

October 23rd, 2019

10:00 am, 2123 Rayburn House Office Building

Purpose

To examine the efforts of the Centers for Medicare and Medicaid Services to ensure quality and affordable health care for all Americans

Members Present

Chairman DeGette, Ranking Member Guthrie, Rep Schakowsky, Brooks, Pallone, Walden, Burgess, McKinley, Kennedy, Griffith, Ruiz, Brooks, Kuster, Duncan, Castor, Tonko, Rodgers, Blunt-Rochester, Bucshon, Cardenas, Gianforte, Rush, Carter

Witnesses

The Honorable Seema Verma., Administrator, Centers for Medicare and Medicaid services, U.S. Department of Health and Human Services

Opening Statements

Chairman DeGette said that it is no secret that the Trump Administration has been attacking health care in the United States since the day he stepped into office. Since day one this administration has been actively trying to dismantle the Affordable Care Act (ACA). As director of CMS, Seema Verma has been critical to the administrations efforts to attack the nation's health care. Last year was the first year since the ACA was signed into law that the number of Uninsured Americans rose. Approximately 1.9 million people lost insurance coverage. Furthermore, the Kaiser Family Foundation estimates that premiums are 19 percent higher than they would be due to policies enacted by the Trump administration. It is outrageous that this administration refuses to defend the ACA against the active lawsuit in Texas. If the ACA is repealed millions of Americans will lose coverage or have to pay significantly more for a lower quality of coverage.

Ranking Member Guthrie said that yesterday CMS announced that premiums for silver level plans are expected to be lower next year. Furthermore, CMS is strengthening the oversight of nursing homes after numerous reports described instances of abuse and neglect. CMS has also made a commitment to combat the Opioid epidemic. Additionally, CMS often acts in a bipartisan manner and attempts to stay apolitical. For this reason it is wrong that the title of this hearing describes how CMS is sabotaging health care in this country. This administration and CMS have worked hard to improve the lives of Americans and deserve credit. While there are areas for CMS to improve on, it is wrong to paint them as a villain.

Rep. Brooks said that Seema Verma has a long history of working to improve population health. The State of Indiana is very proud of the work Seema Verma has done especially in implementing 'Healthy Indiana'. Furthermore, congress looks forward to working with her in the future.

Rep. Pallone said that the Trump Administration has engaged in a concerted effort to sabotage and undermine the ACA. This has resulted in millions of people losing coverage or paying more for the coverage they already had. While Republicans like to say that they want everyone to have health care, that is simply not true. Under Seema Verma's watch nearly 1 million children have lost health insurance coverage. This number could get worse if the current administration gets its way. It is deeply concerning how persistent this administration is in trying to implement Medicaid work requirements. They are illegal and have rightfully been shot down in court.

Rep. Walden said that Congress extended CHIP for ten years and Democrats voted against it. This committee has a history of working in a bipartisan manner and should continue to do so. While this is the first hearing with Seema Verma, but we should also have a full hearing on Medicare for All. Democrats like to say that Republicans want to get rid of the ACA, but the truth is that Medicare for All will destroy the ACA as well as Medicare, Medicaid and CHIP.

Rep. Burgess said that premiums are dropping despite unnecessary fear that the Trump administration is making everything worse. The ACA did not work before the current administration, but it works now.

Testimony

Hon. Verma said that the goal of CMS is to improve quality, lower costs and improve the health care experience for all Americans. In 2017, this administration inherited a declining and chaotic health insurance market. Due to the ACA premiums have nearly doubled and insurers have fled the market. In the last two years, premiums have dropped and the market has stabilized. Despite this progress, it was inevitable that the ACA would lead to coverage losses. Most of these losses come from individuals who do not qualify for market place subsidies. This administration has increased choice to Medicare beneficiaries and improved the Medicaid program. CMS is committed to moving towards a complete market full of consumer choices. CMS is also committed to modernizing Medicare and Medicaid through the use of new information technology.

Questions and Answers

Rep. DeGette asked if the administration is asking that the ACA be struck down in the Texas v Azar case. **Hon. Verma** said yes. **Rep. DeGette** asked if 12 million people will lose their health insurance. **Hon. Verma** said no. **Rep. DeGette** asked how many people will lose health insurance if the ACA were struck down. **Hon. Verma** did not answer. **Rep. DeGette** asked if the ACA is protecting people with pre-existing conditions. **Hon. Verma** said if someone cannot afford insurance they essentially do not have coverage. **Rep. DeGette** asked if Hon. Verma could provide a copy of the plan that would replace the ACA. **Hon. Verma** did not answer.

Rep. Guthrie asked what challenges there are in further reducing premiums. **Hon. Verma** said congress should be focused on decreasing the cost of care. **Rep. Guthrie** asked how CMS is acting to improve hospital star ratings. **Hon. Verma** said that while hospitals have

concerns about the star rating methodology that purpose of the star rating is to provide consumer transparency. CMS is committed to work with these concerned hospitals. **Rep. Guthrie** asked how value based care payment works for block buster drugs. **Hon. Verma** said the current payment system is not equipped to deal with high priced drugs.

Rep. Burgess asked if it is more cost effective to enroll people through navigators or agents and brokers. **Rep. Verma** said agents and brokers. **Rep. Burgess** asked if CMS is trying to reduce the burden of prior authorization. **Hon. Verma** said that CMS is engaging in a 'patients over paperwork initiative'. Prior authorization is necessary, but can often be a barrier to care. **Rep. Burgess** asked if CMS needs more tools to address maternal mortality. **Hon. Verma** said CMS is working on it.

Rep. Pallone asked if the president has a plan to replace the ACA. **Hon. Verma** said that the president's health care agenda has been in action since day 1. **Rep. Pallone** asked what the president will do next if the court strikes down the ACA. **Hon. Verma** said that there is a plan for a number of legal outcomes, but she will not get into specifics.

Rep. McKinley asked how to improve funding and accessibility to non-opioid related addiction. **Hon. Verma** said CMS is happy to work with states in implementing an 1115 waiver in order to address access to rehabilitation care. **Rep. McKinley** asked if 28 days is enough time in rehab for an individual with a substance use disorder (SUD). **Hon. Verma** said she will consult with her department and submit an answer.

Rep. Kennedy asked if Hon. Verma was aware of the article in the New England Journal of Medicine that detailed coverage loss in Arkansas due to Medicaid work requirements. **Hon. Verma** said yes. **Rep. Kennedy** asked why CMS continued to approve work requirements. **Hon. Verma** said that community engagement requirements are about improving the health of individuals. **Rep. Kennedy** asked if Hon. Verma could point to one study that suggests that work requirements improve health outcomes. **Hon. Verma** said that there are many studies that show that employment is positively associated with health outcomes. **Rep. Kennedy** asked if Hon. Verma knew how much it would cost to implement work requirements in Kentucky. **Hon. Verma** said she has recused herself from Kentucky's 1115 waiver application.

Rep. Griffith asked if it is true that more people today have employer sponsored insurance than before this administration came to office. **Hon. Verma** said yes.

Rep. Brooks asked how Hon. Verma stays connected to patients and those she is trying to serve. **Hon. Verma** said she did a listening tour where she met with people who cannot afford their ACA premiums. **Rep. Brooks** asked what more can be done to help people access their own medical records. **Hon. Verma** said that more needs to be done and it is one of top priorities for CMS.

Rep. Kuster asked if CMS is expecting the ACA lawsuit to be appealed to the Supreme Court. **Hon. Verma** said that CMS is preparing for a number of outcomes, of which appeal

is one. **Rep. Kuster** asked if denying coverage based on pre-existing conditions is good for the country. **Hon. Verma** said none of the actions taken by CMS encourage this. **Rep. Kuster** asked if CMS conducted an analysis on the impact of junk plans on families with pre-existing conditions. **Hon. Verma** said yes.

Rep. Duncan asked what CMS has done to finalize the open enrollment date rule. **Hon. Verma** said that CMS shares Congresses commitment to have that rule finalized.

Rep. Castor asked how CMS can justify promoting short term limited duration plans. **Hon. Verma** said those plans provide flexibility for consumers.

Rep. Walden asked when Hon. Verma became administrator of CMS. **Hon. Verma** said March 2017. **Rep. Walden** asked why CMS limited the navigator program. **Hon. Verma** said because it was not producing the desired results and the costs were too high. **Rep. Walden** asked how many more people are covered by private insurance due to the strong economy. **Hon. Verma** said that less people are relying on public programs however, some individuals who do not receive a marketplace subsidy are still having trouble affording health insurance. **Rep. Walden** asked if there are navigators for Medicare. **Hon. Verma** said no.

Rep. Clarke asked if Hon. Verma agrees with the data provided by the census bureau that says over 1 million children lost health insurance coverage last year. **Hon. Verma** said yes. **Rep. Clarke** asked why the rates of Medicaid and CHIP enrollment have declined while the rates of private insurance coverage have remained the same. **Hon. Verma** said that most of the children leaving CHIP/Medicaid are enrolling in private coverage. **Rep. Clarke** asked if the program integrity requirement should be weaponized to kick children off of coverage. **Hon. Verma** said there are major problems in Medicaid eligibility.

Rep. Tonko asked if short term limited duration plans are allowed to exclude coverage based on pre-existing conditions. **Hon. Verma** said they are allowed to, but not all will. **Rep. Tonko** asked if people on these plans can be charged higher premiums based on health status, gender and age. **Hon. Verma** said they have the flexibility to do this. **Rep. Tonko** asked if short term limited duration plans can refuse to cover many inpatient and outpatient services. **Hon. Verma** said they have flexibility to do this. **Rep. Tonko** asked if these plans can impose life time and annual limits on coverage. **Hon. Verma** said yes.

Rep. Rodgers asked what CMS is doing to ensure the most vulnerable populations are getting enrolled in Medicaid. **Hon. Verma** said that CMS is trying to improve program integrity, and that there are cases where the state is not staffing the right individuals.

Rep. Blunt – Rochester asked if CMS will commit to release all documents and studies of marketing efforts related to enrollment in the ACA. **Hon. Verma** said that question should be directed to HHS.

Rep. Bucshon asked if a developer of a medical device could accurately predict their rates of reimbursement. **Hon. Verma** said CMS is working to improve transparency. **Rep. Bucshon** asked if Hon. Verma wants to say anything. **Hon. Verma** said that it is natural to see fluctuations in Medicaid enrollment. Since we are in a strong economy those fluctuations will be reflected in a decrease in Medicaid enrollment.

Rep. Cardenas asked if it is true that SUD treatment is a top health care priority for HHS. **Hon. Verma** said yes. **Rep. Cardenas** asked if Hon. Verma agrees that the Medicaid program is vital to fighting SUD across the country. **Hon. Verma** said yes and CMS has approved 26 1115 waivers to enhance SUD treatment. **Rep. Cardenas** asked what will happen if the ACA is over ruled in the Texas lawsuit. **Hon. Verma** said the Trump administration is dedicated to protecting individuals with pre-existing conditions.

Rep. Gianforte asked if telehealth would be effective for rural hospitals. **Hon. Verma** said yes. **Rep. Gianforte** asked if there is room to improve national efforts to expand telehealth. **Hon. Verma** said yes.

Rep. Rush asked how CMS can ensure that minority communities have access to the dialysis care that they need. **Hon. Verma** said CMS wants to improve the quality of care and increase choice. CMS is dedicated to ensuring that patients who want a kidney transplant can receive one. Furthermore CMS wants to increase the payments rate to kidney specialists. **Rep. Rush** asked if CMS has data on the number of hospitals that have closed in low-income and minority communities. **Hon. Verma** said she did not have that data on her but will submit it for the record.

Rep. Carter asked what CMS is doing to update the 340B program. **Hon. Verma** said that since 340B is the subject to litigation she cannot get into it fully. However, she said that CMS is concerned with duplicative discounts. She also said that under their current proposal if any changes to the 340B program led to savings, those savings would be redirected back into social safety net programs