

October 24, 2013

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

Dear Secretary Sebelius:

I am writing to request information regarding the activities being undertaken by your Department to correct the serious issues plaguing the Affordable Care Act (ACA) health insurance Exchange website – healthcare.gov. According to multiple media reports from across the country, there have been significant technical problems with implementing the system, with several states not having enrolled any individuals to date. Unable to enroll for coverage, individuals are in limbo as they face the threat of penalties under the ACA for not having adequate health care coverage. These issues highlight the failure of the Exchanges to function as designed, and the troubling reality that the American people still do not know the true costs associated with implementing the system.

Further, over the past year, \$1.7 billion in taxpayer funds have been used to implement the Exchanges. This funding came exclusively from your Department's internal transfer of funds to the Exchanges – a decision that avoids Congressional approval. In fact, Congress has not provided any additional funding for Exchanges in Fiscal Year 2013 or through January 2014. Last week, your Department notified my appropriations subcommittee that an additional \$450 million would be transferred to fund the Exchanges in Fiscal Year 2014. I am seriously concerned that taxpayers do not have a full understanding of the costs associated with implementing the Exchanges and the costs to fix the egregious technical problems currently plaguing healthcare.gov. To better understand the cost and scope of Exchange activities, please address the following questions regarding uncertainties about the health insurance Exchanges:

1. How much money to date has been spent on developing and implementing healthcare.gov? Please provide the sources of these funds, both discretionary and mandatory.
2. Describe the current technical issues affecting healthcare.gov and how the Department intends to correct these problems. Please include a timeline for resolving the issues.
3. Describe in detail (including key dates) the steps that your Department took to test the healthcare.gov website prior to roll-out on October 1, 2013. Please include information on technical issues that arose during the testing and how they were resolved.
4. Describe in detail what Department offices were responsible for the current version of healthcare.gov. Please also include what private companies were contracted with, how these contractors were

selected, their qualifications, what project specifications for which they were responsible, and the cost of each contract.

5. If the contractors responsible for healthcare.gov are determined to be at fault, do you intend to recover payments made to them? Please describe what recourses are available.
6. In detail, provide the cost breakout for fixing the technical issues associated with the Exchanges. Please include the sources of funding, the estimated timeline for resolving the issues, and the contracts responsible for paying the technical experts brought in to resolve these issues.
7. On October 18, 2013, your Department notified the Senate Labor/HHS Appropriations Subcommittee that \$450 million will be transferred from the Department's Nonrecurring Expenses Fund to the Exchanges. Will any of these funds be used to fix the current issues with the Exchanges? If so, how much? If not, for what specifically will the \$450 million be used?
8. If the technical issues with the Exchanges cannot be fixed in time, how will the Administration deal with the ACA individual mandate that requires all Americans to have health insurance or pay a penalty?
9. If the issues with the Exchanges cannot be fixed in time, please explain in detail any contingency plans.
10. Under the Continuing Appropriations Act, FY2014 (P.L. 113-46) passed on October 17, 2013, Congress requires you to certify that the Exchanges will verify household income before providing tax credits or any cost-sharing reductions. Please describe how the "data hub" will be used to verify an individual's eligibility.
 - a. The Administration had previously delayed income verification for 2014 due to issues with the data hub. Please explain how your Department will verify income for individuals signing up for health insurance through the Exchanges.
 - b. Will the verification process occur in real-time?
 - c. On October 21, 2013, White House Press Secretary Jay Carney stated that if individuals could not get access to insurance, they would not be penalized. Does this statement mean the Administration is considering delaying the ACA individual mandate?

Thank you for your prompt attention to this matter. I would appreciate a response by November 13, 2013.

Sincerely,



Jerry Moran
Ranking Member
Senate Appropriations Subcommittee on Labor,
Health and Human Services, and Education