

March 13, 2014

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

I am writing to follow-up on information provided in the Fiscal Year (FY) 2015 congressional justification regarding funding for the Affordable Care Act (ACA).

Language was included in both the FY2014 Senate Labor, Health and Human Services, and Education and Related Agencies Appropriations Report and the FY2014 Omnibus Appropriations Statement of Managers asking for specific funding details on the Health Insurance Marketplace established under the ACA. In response to this request by the Senate and House Appropriations Committees, the Centers for Medicare and Medicaid Services (CMS) provided only sources of funding for the ACA, as opposed to both sources and uses of such funds. While I understand the Department might believe this information addresses the requirement set forth in the report language, it does not. CMS' response is only a fraction of what the Committee requested.

Section 224 of the FY2014 Omnibus Statement of Managers states:

SEC. 224. The Secretary shall publish, as part of the fiscal year 2015 budget of the President submitted under section 1105(a) of title 31, United States Code, information that details the uses of all funds used by the Centers for Medicare and Medicaid Services specifically for Health Insurance Marketplaces for each fiscal year since the enactment of the Patient Protection and Affordable Care Act (Public Law 111-148) and the proposed uses for such funds for fiscal year 2015. Such information shall include, for each such fiscal year—

- (1) the section(s) of such Act under which such funds were appropriated or used;
- (2) the program, project, or activity for which such funds were used;
- (3) the amount of funds that were used for the Health Insurance Marketplaces within each such program, project, or activity; and

(4) the milestones completed for data hub functionality and implementation readiness.

The language is explicit regarding the type of information requested and it is clear CMS' response failed to answer sections 2 and 3 of Section 224. Specifically, the response does not detail the amount and how the money was spent – on which programs, projects, and activities funding was used. Simply put, CMS provided a vague response that does not illustrate the entire funding picture and ignores Congress' intent under the request.

Once again, the Administration is refusing to disclose to the American taxpayer how much money is being spent on the ACA. And when asked by Congress to provide this information, the Department again chose to provide evasive and ambiguous figures that do not answer the crux of the request. The Department needs to be transparent in its funding decisions and held accountable for those decisions.

Therefore, to better understand the cost and scope of Marketplace activities, please address the three fundamental questions regarding uncertainties about the ACA's Health Insurance Marketplace:

1. Why did CMS not include the requested information under Section 224 (2) and (3) regarding the amount and the specific program, project, or activity for which funds were used?
2. How much funding was used for the Health Insurance Marketplaces within each program, project, or activity? For example, this should include information on enrollment activities, IT contracts, funds transferred to other Departments to support ACA-related activities, or staffing costs.
3. Why were all the sources of ACA implementation funding not included? For example, \$208 million from Community Health Centers was used for enrollment activities and was not included in the Department's disclosure.

Thank you for your prompt attention to this matter. I would appreciate a response prior to your testimony at our FY2015 budget hearing on April 2, 2014.

Sincerely,



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