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**HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING
CHALLENGES WITH OBAMACARE EXCHANGES**

HHS Secretary Kathleen Sebelius Testifies

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, delivered the following opening statement at a committee hearing examining the challenges of the health law's insurance exchanges with Health and Human Services Secretary Kathleen Sebelius:

It's been nearly six months since you last appeared before the committee. Given all that's gone on in that time – particularly with the implementation of Obamacare – I'd say that today's appearance is long past due.

When you were here way back in April, you assured us that that the implementation was on track, that it was all going smoothly, and that the exchanges would be ready to go live on October 1st.

Now, it appears that your statements from the previous hearing were, at best, misinformed.

From where I sit, things do not seem to be going smoothly at all. In fact, I think we would all agree that thus far, the implementation of the so-called Affordable Care Act has been an absolute debacle. You admitted as much last week when you testified before the House Energy and Commerce Committee when you said "hold me accountable for the debacle, I'm responsible."

Madame Secretary, while I am glad that you are accepting responsibility for this disastrous rollout, I would have preferred that you and the rest of the administration were honest with us to begin with.

Perhaps in April you really did believe that things were on track. But, you had to have had several indications before October 1st that there were problems with the website and with the exchanges

It is simply inexcusable that the members of this committee were not told earlier that these problems were occurring.

And, it wasn't for want of asking.

I personally sent you a number of letters asking for details on the implementation of the health care law, many of which were ignored entirely. This cavalier attitude toward a Senate committee with oversight jurisdiction over your agency is, put simply, appalling and needs to be rectified.

If the past month has been any indication, there are likely to be numerous additional problems ahead. That being the case, I think it is only proper that you provide this committee with more regular updates on the issues you are dealing with.

In fact, I would ask that you come here once a month for the next six months to provide the committee with status updates on the implementation of Obamacare. I hope you will agree to do so.

Like I said, Madame Secretary, it's clear that the problems you've encountered thus far were not unforeseen.

Two separate reports – one from the Government Accountability Office in June and another from Department of Health and Human Services Office of Inspector General in August – identified significant implementation challenges months ahead of the October 1st deadline. Yet, there is no indication that the warnings from these two independent, non-partisan government watchdogs were heeded by the administration or that any thought was given to delaying the startup date as a result.

When you were here in April, I raised concerns about whether adequate testing was occurring to ensure that privacy controls were in place for the exchanges. In fact, I specifically asked you about having an independent entity review the entire system before it went live to ensure that all appropriate privacy and security controls were in place. You assured me that all testing protocols were being followed and that privacy issues were a high priority.

However, we now know that no end-to-end testing of the system occurred before the system went live.

None.

In fact, key CMS officials knew on September 27th that there was a high security risk to the system if it went up as planned.

My colleagues and I have sent several letters since the spring asking for more information on what privacy controls were being instituted as part of the exchange

infrastructure and asking for details about whether or not testing was being done to address the privacy and security concerns we have raised.

To date, we have not received any answers to our questions.

So not only can millions of Americans not login to the website successfully, but those who have actually succeeded could now find themselves at the mercy of identity thieves across the globe. I would call this a less than ideal situation for our constituents.

That brings us to another set of issues that I hope you'll be able to shed some light on today.

Let me start with a simple premise – words matter.

We have all heard the golden saying – honesty is the best policy.

Unfortunately this age-old wisdom doesn't seem to apply to the Obamacare pledges.

More and more promises made at the time this law was passed are now crumbling under the weight of reality on a daily basis. Let's start with the famous pledge that health reform would reduce costs by \$2500 for an average family.

The truth is, with all the new mandates going into effect, the cost of health insurance in this country is projected to rise at a remarkable rate.

Some studies – including one from the Manhattan Institute – estimate that individual market premiums will increase by as much as 99 percent for men and 62 percent for women nationwide.

Then, of course, there was President Obama's promise when the law was passed that "if you like your healthcare plan you can keep it" and that "if you like your doctor, you will be able to keep your doctor."

This, to put it bluntly, is simply untrue.

In fact, the Washington Post, on October 30th, gave it Four Pinocchio's, which represents the highest level of untruthfulness.

You really have to try to get Four Pinocchio's. You don't simply get it for making a misstatement.

Yet, it wasn't until the last few weeks that people in the administration and at the White House started trying to rewrite what the President said.

And let's be candid - it wasn't a newfound honest streak that changed the administration's tone – it was the fact that Americans started receiving cancellation notices from their insurers. According to the Associated Press, 3.5 million people have received such notices thus far. And, the same fate is certain to befall millions more before all is said and done.

Put simply, there is a long track record of broken promises and untruthful answers to both this committee and the American people with respect to how this law would work and the impact it would have.

I hope that will stop today.

No more caveats.

No more excuses.

No more spin.

Just give us the truth.

Answers like we don't know and we were wrong are perfectly acceptable, so long as that is the truth. Thank you, once again, Mr. Chairman for holding this hearing. As you can see, we have a lot to discuss.

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