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Hatch Statement at Finance Hearing Examining the President's Fiscal Year 2015 Budget

Secretary Sebelius Testifies

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks at a committee hearing examining the President's budget proposal for Fiscal Year (FY) 2015 with Health and Human Services Secretary Kathleen Sebelius:

Mr. Chairman, thank you for scheduling today's hearing. Secretary Sebelius, thank you for taking the time to be here today.

This discussion is long overdue.

Mr. Chairman, the President's budget was released on March 4th – 37 days ago.

Typically, these hearings are scheduled within days after the release of the budget. Indeed, it is generally considered to be routine to have budget hearings immediately. Yet, here we are – more than a month later – finally sitting down to discuss the HHS provisions of the President's budget.

That type of lag time is disappointing to say the least.

That said, the delay in holding this hearing is not the only delay that I'm concerned about today.

Madame Secretary, each time you have appeared before this committee, I have asked you to be prompt when responding to our communications, especially those dealing with the implementation of the Affordable Care Act. Yet, numerous inquiries submitted to HHS by members of Congress have been ignored entirely. And, we have yet to receive answers to the questions submitted for the record after your last appearance before this committee on November 6th of last year.

This committee takes its oversight responsibilities very seriously, Madame Secretary. I hope that, in the future, you will be more cooperative and responsive to these efforts.

Mr. Chairman, given how HHS has responded to our past attempts to exercise oversight, I think we may have to schedule another hearing with the Secretary in the near future. That might be the only way that our members will get answers to the questions they submit after this hearing.

Secretary Sebelius, process matters aside, I have some specific policy concerns that I hope you'll be able to address today.

For example, according to the President's proposed budget, combined spending for Medicare and Medicaid is expected to exceed \$11 trillion over the next decade.

That's simply an astronomical number. And, we're only talking about two separate federal programs.

Entitlement spending has become a generational challenge that demands all of our attention. However, the administration appears all too willing to continue to ignore these problems.

The proposed budget would save a meager \$414 billion over the next decade, or roughly 3.7 percent of total Medicare and Medicaid spending. And, it would do so primarily through provider cuts and government price controls.

Anyone who has spent more than five minutes looking at our budget has concluded that these programs are in serious trouble and that they are, along with Social Security, the main drivers of our debts and deficits. The non-partisan Congressional Budget Office, for example, has referred to our health care entitlements as our "fundamental fiscal challenge."

I hope that, during today's hearing, we can get some answers about entitlement reform because it is, quite frankly, one of the elephants in the room when we're talking about our nation's fiscal future.

Another elephant in the room is the implementation of Obamacare.

Last week, President Obama took to the Rose Garden to spike the football and declare his health law a "success" after it was announced that 7.1 million people had enrolled in the program.

So far, the administration has spent at least \$736 million on advertising for Obamacare. The healthcare.gov website has cost more than \$317 million. The call centers have cost at least another \$300 million.

So, using the most conservative estimates, the total costs of the website and the advertising have, to date, amounted to just over \$1.3 billion.

That's a lot of taxpayer money, especially when you look at all the outstanding questions like:

How many of those people will actually pay premiums?

How many of them already had health insurance BEFORE the law went into effect?

So far, it appears that the administration is hoping that the public will ignore these important questions and only focus on the number of claimed enrollees.

In fact, Secretary Sebelius, in your testimony before the House Energy and Commerce Committee, in response to some of these very questions, you stated that members of Congress would have to go ask the insurance companies because you and your department weren't keeping track of these figures.

Now, it is my understanding that the 7.1 million enrollees touted by the administration is merely a count of those who have selected an insurance plan through the exchanges, not of those who have actually purchased and paid for insurance.

That seems like an odd number to celebrate.

Indeed, it's like Amazon.com taking stock of how many people have placed items in their shopping carts and then counting them as sales.

In other words, it's a false metric. It is certainly not one that can justify the President's attempt to declare that the debate over his health care law is officially over.

There are many other questions that need answered with regard to Obamacare.

For example, so far, the administration has made more than 20 unilateral changes to the law. What is the cumulative cost of those changes?

While we're on the subject, how many more delays and changes are yet to come?

As you can see, there are a number of important matters to discuss today, both with regard to the President's budget and the implementation of Obamacare. I hope that we can have a serious discussion about these critical issues.

Madame Secretary, I know you have one of the most difficult jobs in Washington. I appreciate you being here.

Thank you, once again, Mr. Chairman for holding this hearing.

Thank you.

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