FOR IMMEDIATE RELEASE
February 16, 2017

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Wyden Statement at Finance Committee Confirmation Hearing on Seema Verma to Lead CMS
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The health care post the Finance Committee is going to discuss this morning might not be dinner-table conversation, but it's one of the most consequential roles in American government – the Administrator of the Centers for Medicare & Medicaid Services.

CMS is responsible for the health care of over 100 million Americans who count on Medicare and Medicaid. It also plays a big role in implementing the ACA. That's a weighty responsibility, and that's why CMS needs the most experienced and qualified people for the job – people who know the ins and outs of health care policy across the entire system: Medicare, Medicaid, and the private insurance market.

CMS needs to have a strong and experienced authority on policy at a time when many in the administration, as well as some of my colleagues on Capitol Hill, are pushing to make radical changes to America's health care system. In my view, many of these proposals would take the country back to the days when health care was mostly for the healthy and the wealthy. I'll be listening closely to see if Ms. Verma is up to the task.

I'd like to start off with the promise of Medicare – the promise of guaranteed health benefits for seniors. Medicare makes up more than half of CMS' spending – roughly 2.2 billion dollars a day. With more seniors entering the program every year, there's a lot of work that needs to be done to protect and update the Medicare guarantee for the 21st century.

Updating Medicare means addressing the high and rising cost of prescription drugs that are putting a big time strain on seniors' budgets. It means making the program work better for people who have to manage multiple chronic diseases, like heart disease, cancer, diabetes and stroke that constitute the vast majority of the Medicare dollar today. Those are the kind of bipartisan concerns Congress and CMS should be collaborating on.

Privatizing Medicare is the wrong direction for people across the country who expect the program to be there for them in their later years. I want to hear how Ms. Verma's views differ from those of the policymakers, including now-Secretary Price, who want to turn the entire program into a voucher system.

Additionally, if confirmed, Ms. Verma will play a key role implementing the bipartisan Medicare physician payment reforms. It's essential that she implement the law as intended by Congress as America's health care system continues the long-needed shift from paying for volume to paying for value.

CMS also implements and oversees the rules of the road in the private insurance market established by the ACA. Today, many of those rules amount to bedrock values for health insurance in America:

- not discriminating against those with pre-existing conditions no matter what,
- setting the bar for what type of medical care insurance companies must cover,
- letting young adults keep their parent's insurance until 26.

However, just yesterday, CMS released a proposed rule affecting insurance coverage next year. From where I sit, the message from that rule is clear: insurance companies are back in charge, and patients are taking a back seat. The open enrollment period was cut in half, from three months to six weeks. If someone dropped coverage during the year for any reason, insurance companies could collect back-premiums before an individual is able to get health insurance again. And insurance companies will have free reign to offer less generous coverage at the same or higher costs. All of this sounds to me like a step backward towards health care only for the healthy and wealthy.

This Administration has been saying – on repeat – that the best is yet to come, but the evidence suggests otherwise. The President could have taken steps to create more stability on a bipartisan basis, but instead issued an Executive Order on the day he was sworn in that is creating market uncertainty and anxiety. You don't need to look further than Humana's recent decision to leave the market to see that confidence in the President's promise is low.

So it will be important to hear from Ms. Verma this morning about how she plans to implement this program that millions of Americans count on as Republicans in Congress actively discuss, even today, how they will begin to unravel the law. I hope Ms. Verma will use her position if confirmed to move beyond the tired "repeal and run" ideas that look increasingly impossible.

The repeal and run scheme goes beyond disrupting the individual market. It would also end the Medicaid expansion that has brought millions of low-income, vulnerable Americans into the health care system, many for the first time in their lives. This is the area where Ms. Verma has had most of her health care experience. The project she is known best for is what's called "Healthy Indiana 2.0," which expanded Medicaid in her home state.

The tradeoff for that expansion is something I'd like to focus on in more detail. I'm particularly concerned about the possibility that someone making barely $12,000 dollars a year would get locked out of health coverage for no less than six months because they couldn't pay for health care due to an upcoming rent check, for example, or an emergency car repair.

According to an independent evaluation commissioned by the state of Indiana, more than 2,500 people were bumped from coverage due to a situation like this. I'm also concerned about data from the same report that found more than 20,000 people were pushed onto a more expensive, less comprehensive Medicaid plans because they couldn't pay or navigate the complicated system Ms. Verma put in place. These complex rules apply no matter your situation: homeless, suffering from a mental health crisis, or without a regular income, to name a few.

I have great reservations about taking these questionable ideas on a nationwide tour. Flexibility for states to pursue policies that work well for them is something I've always championed. But I'm in favor of flexibility for states when it helps them do better, not when it helps them do worse. I'm proud to say my home state has one of the leading Medicaid programs in the country – and it just got a renewed waiver. States should not be denied the opportunity to do what they want because they don't pursue policies like Indiana's.

However, Ms. Verma will not only be responsible for the 11 million individuals who gained coverage under the expansion, but also for the sixty plus million Americans who rely on Medicaid: to help pay for nursing and home-based care; to provide comprehensive coverage for one out of three children; and to help people live healthy lives in their communities. All of them are at risk under Republican proposals to slash the social safety net through block grants or caps.

Before I wrap up, I'd like to discuss one more issue that relates to Ms. Verma's work in Indiana. Ms. Verma and her consulting firm were awarded more than 8.3 million dollars in contracts directly by the State of Indiana to advise the state and help manage its health care programs. In effect, she was the policy architect. At the same time, she contracted with at least five other companies that provided hundreds of millions of dollars of services and products to those very programs – HP Enterprises, Milliman, Inc., Maximus, Health Management Associates (or HMA), and Roche Diagnostics. In the case of at least two of these firms – HP and HMA – the terms of her state contracts appear to have had her directly overseeing work these firms performed.

Instead of offering my own views on this arrangement, I'll quote President George W. Bush's ethics lawyer Richard Painter, hardly a liberal, who yesterday said that this arrangement, quote, "clearly should not happen and is definitely improper." Ms. Verma is on both sides of the deal, helping manage state's health programs while being paid by vendors to those same programs. Richard Painter called that a "conflict of interest." I agree.

These companies she consults with – HP, Maximus, Milliman, and HighPoint Global – also work with CMS, which she'd be running if confirmed. While her ethics agreement specifically requires recusal with regard to HMA, it does not specifically address the question of her recusal obligations with regard to these other companies.

I think the committee has an obligation to find out more about Ms. Verma's work for companies that did business with the state while she worked for the state. Senators also need to be assured that if she becomes the CMS Administrator, she will recuse herself from decisions that affect the companies who were her clients.

Ms. Verma, I thank you for joining the committee this morning and I appreciate your willingness to serve. I look forward to your testimony.

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