

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

MINORITY (202) 225-5051

<http://oversight.house.gov>

November 20, 2015

Mr. Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Mr. Slavitt:

Persistent problems at State Based Exchanges (Exchanges) and Consumer Operated and Oriented Plans (CO-OPs) established under the Patient Protection and Affordable Care Act have cost taxpayers billions of dollars and left many consumers scrambling to find health insurance coverage. The Centers for Medicare & Medicaid Services is responsible for managing the Exchanges and CO-OPs.

To date, CMS has awarded \$2.4 billion worth of CO-OP loans. More than half of the twenty-three CO-OPs that were established have failed, at a cost of \$1.2 billion to taxpayers.¹ The Inspector General found that twenty-one of the twenty-three CO-OPs incurred net losses in 2014.² Claims exceeded premiums at nineteen CO-OPs, and thirteen of twenty-three are not meeting enrollment projections.³ CMS placed eleven CO-OPs under “enhanced oversight” in response to these widespread failures.⁴

The Exchanges are also plagued by systemic problems, including call center glitches, website failures, software problems, lower than expected enrollment numbers, and deficient processes for determining eligibility.⁵ States have received nearly \$5 billion in federal grants to

¹ Tom Howell, Jr., *More than half of Obamacare co-ops fail*, WASH. TIMES, Nov. 3, 2015.

² Dep’t of Health & Human Serv. Office of Inspector General, *Actual Enrollment And Profitability Was Lower Than Projections Made By The Consumer Operated And Oriented Plans And Might Affect Their Ability To Repay Loans Provided Under The Affordable Care Act* (July 30, 2015), available at <http://oig.hhs.gov/oas/reports/region5/51400055.pdf> (last accessed Nov. 12, 2015).

³ *Id.*

⁴ Peter Sullivan, *ObamaCare co-ops at risk of failing after billions in loans*, THE HILL, Oct. 17, 2015.

⁵ Lena H. Sun and Niraj Chokshi, *Almost half of Obamacare exchanges face financial struggles in the future*, WASH. POST, May 1, 2015; Ricardo Alonso-Zaldivar, *State health insurance markets struggle with cost challenges*, ASSOC. PRESS, July 26, 2015; Stephanie Armour, *Audit Finds Deficiencies in New York State’s Health-Insurance Exchange*, WALL ST. J., Sep. 23, 2015.

establish Exchanges. In April, the Inspector General questioned whether Exchange funds have been responsibly disbursed and accounted for.⁶

With 2016 premiums rising by double digits in some states,⁷ and more difficulties predicted for both the Exchanges and CO-OPs,⁸ it is critical that Congress assess CMS' plans to protect consumers and safeguard billions in taxpayer dollars. Accordingly, please provide the following documents and information as soon as possible, but no later than 5:00 p.m. on December 4, 2015:

1. Documents and communications referring or relating to any criteria or processes by which CMS assesses the sustainability and financial viability of CO-OPs and Exchanges. Provide a list of the CMS staff responsible for both the CO-Ops and Exchanges.
2. Documents and communications referring or relating to the CO-OPs placed on enhanced oversight or corrective action plans, including, but not limited to, the enhanced oversight or corrective action plan for such CO-OPs.
3. Documents referring or relating to the status of each CO-OP and Exchange, including, but not limited to, current and future operational statuses, performance analyses, financial or technological sustainability and solvency, and future financial viability.
4. Documents referring or relating to the total amount of federal taxpayer dollars provided to each CO-OP and Exchange, including the failed CO-OPs and Exchanges.
5. Documents and communications referring or relating to requests, actions and/or plans to recoup federal funds provided to failed CO-OPs and Exchanges, including, but not limited to, those referring or relating to how any funding recouped in a judicial proceeding or settlement will be allocated.

When producing documents to the Committee, please deliver production sets to the Majority staff in room 2157 of the Rayburn House Office Building and the Minority staff in room 2471 of the Rayburn House Office Building. The Committee prefers, if possible, to receive all documents in electronic format. An attachment to this letter provides additional information about responding to the Committee's request.

⁶ Dep't of Health & Human Serv. Office of Inspector General, *Early Alert: Without Clearer Guidance, Marketplaces Might Use Federal Funding Assistance for Operational Costs When Prohibited by Law* (Apr. 27, 2015), available at <http://oig.hhs.gov/oas/reports/region1/11402509.asp> (last accessed Nov. 12, 2015).

⁷ Stephanie Armour, *Premiums for Health Insurance Bought on Exchanges to Climb in 2016*, WALL ST. J., Oct. 26, 2015.

⁸ Lena H. Sun and Niraj Chokshi, *Almost half of Obamacare exchanges face financial struggles in the future*, WASH. POST, May 1, 2015; *The ACA Risk Corridor Will Not Stabilize The U.S. Health Insurance Marketplace in 2015*, STANDARD & POOR'S, Nov. 5, 2015, available at https://www.globalcreditportal.com/ratingsdirect/renderArticle.do?articleId=1476233&SctArtId=352088&from=CM&nsi_code=LIME&sourceObjectId=9401106&sourceRevId=5&fee_ind=N&exp_date=20251105-19:10:01 (last accessed Nov. 6, 2015).

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The Committee on Oversight and Government Reform is the principal oversight committee of the House of Representatives and may at "any time" investigate "any matter" set forth in House Rule X.

Please contact Sean Hayes or Chris Hinkle of Chairman Chaffetz's staff at (202) 225-5074 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Jason Chaffetz
Chairman



Jim Jordan
Chairman
Subcommittee on Health Care,
Benefits, and Administrative Rules



Mark Meadows
Chairman
Subcommittee on
Government Operations



Will Hurd
Chairman
Subcommittee on
Information Technology

Enclosure

cc: The Honorable Elijah E. Cummings, Ranking Member

The Honorable Mathew Cartwright, Ranking Member
Subcommittee on Health Care, Benefits, and Administrative Rules

The Honorable Gerald E. Connolly, Ranking Member
Subcommittee on Government Operations

The Honorable Robin Kelly, Ranking Member
Subcommittee on Information Technology

The Honorable Harold Rogers, Chairman
Committee on Appropriations

The Honorable Nita M. Lowey, Ranking Member
Committee on Appropriations

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The Honorable Fred Upton, Chairman
Committee on Energy and Commerce

The Honorable Frank Pallone, Jr., Ranking Member
Committee on Energy and Commerce

The Honorable Kevin Brady, Chairman
Committee on Ways and Means

The Honorable Sander M. Levin, Ranking Member
Committee on Ways and Means

Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.
2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.
3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.
4. Documents produced in electronic format should also be organized, identified, and indexed electronically.
5. Electronic document productions should be prepared according to the following standards:
 - (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - (b) Document numbers in the load file should match document Bates numbers and TIF file names.
 - (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH,
PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE,
SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,
CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE,
DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,
INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,
BEGATTACH.
6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.

7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.
8. When you produce documents, you should identify the paragraph in the Committee's schedule to which the documents respond.
9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.
10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.
11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.
14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.
16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.
17. All documents shall be Bates-stamped sequentially and produced sequentially.
18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.
3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
4. The terms “person” or “persons” mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.

5. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term “referring or relating,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.
7. The term “employee” means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.