

ONE HUNDRED TWELFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
2125 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6115

Majority (202) 225-2927  
Minority (202) 225-3641

**Opening Statement of Rep. Diana DeGette**  
**Ranking Member, Subcommittee on Oversight and Investigations**  
**“Health Care Issues Involving the Center for Consumer Information and Oversight”**  
**Subcommittee on Oversight and Investigations**  
**February 16, 2011**

Last year, President Obama signed into law landmark health reform legislation to improve health care access for millions of American families and small business owners, prohibit abusive insurance practices, and reduce our nation’s deficit. Today’s hearing is focused on implementation of the law’s prohibition on annual and lifetime limits on health care coverage, an important consumer protection that prevents people with chronic or catastrophic illnesses from losing their coverage after they reach an arbitrary cap on expenses established by their insurer.

This is a provision that is already protecting consumers, and will protect millions more – individuals with chronic and expensive diseases like diabetes.

We are transitioning to this new policy, and millions of Americans with insurance are benefitting immediately. But a small percentage of insured Americans are in plans that will need waivers from these provisions until the health care bill takes effect in its entirety in 2014. The law allows for these waivers, which are the subject of today’s hearing.

The Center for Consumer Information and Insurance Oversight, or CCIIO, is responsible for implementing the consumer protections against insurer’s annual limits. CCIIO announced that process in a public rule last summer and issued further guidance based on input from affected entities.

CCIIO is granting waivers to this provision in cases where insurance providers show that compliance “would result in a significant decrease in access to benefits” or “would significantly increase premiums.”

Republicans on this Committee and elsewhere have made a number of allegations about CCIIO and its process for implementing the ban on annual limits. Senator Kyl and others have made statements suggesting CCIIO may be providing waivers to “political allies” such as unions. The Subcommittee Chairman has suggested that the volume of waivers granted indicates flaws in the health reform law.

But the information and documents the Committee has received tell a different story. They show that the Administration is implementing the law in a fair, transparent, flexible, and efficient way.

The Administration data show that over 90% of applicants who sought waivers for their plans received HHS approval. The average completed application was approved by HHS within 13 days – with over one third approved in under one week. This is exactly the kind of government efficiency that my friends across the aisle ought to be standing up and applauding.

We reviewed emails that the companies requesting waivers exchanged with CMS. Here's what a few of the companies had to say: "I want to sincerely thank HHS...for working so hard to process and approve our waiver application." "Thanks you and all the staff at OCIO...for your consideration and effort." "We just want to thank you for the prompt and courteous service you gave these applications." Mr. Chairman, these don't sound like businesses that are overburdened and fearful of government regulation – they sound like satisfied clients.

As for the claim of bias toward unions, the data received by the Committee shows that plans that serve union employees were almost five times more likely than average to be denied waivers. If the Administration is somehow biased in favor of unions, this is a pretty strange way of showing it.

In the Subcommittee's first hearing, we learned from the Administration how the President's Executive Order on regulations has instructed agencies to implement laws in a manner that protects consumers while imposing the least burden possible on business. The implementation of the annual limits provision provides a case in point of how the Administration is acting on these principles.

The plans that are receiving waivers need improvement. They are often so-called mini-med plans that offer limited benefits. In 2014, thanks to the health care bill, almost all Americans will get better coverage. But for now, these limited plans are the best coverage available for many workers – and the waiver process accommodates business and insurers so that consumers can retain access to these plans in the bridge years.

Based on clear regulation and guidance, CCIIO evaluates waiver requests on clearly explained criteria, such as premium changes in percentage terms and dollar terms, the number and type of benefits affected by the annual limits, and the number of enrollees under the plan seeking the waivers. Approvals, once granted, are rapidly posted on the HHS website.

The overall process for implementing this important health reform provision, and the waiver provisions within it, embodies the principles that Republicans and Democrats alike seek in the regulatory process. It is fair. It is efficient. It is transparent. And it is allowing over two million Americans to keep their existing health insurance coverage.

I look forward to hearing from our witnesses. I hope we can discuss the facts about CCIIO and its waiver process today rather than propagating myths about healthcare reform's implementation.