

## **Coburn Amendment 1867 - Requires Exchanges to Verify Income and Eligibility Before Obamacare Subsidies Are Disbursed**

**There have been a lot of [concerns](#) as to whether or not the Administration would ensure that Americans receiving Exchange subsidies under the Patient Protection and Affordable Care Act/Obamacare meet the eligibility requirements of the law.**

On August 1, 2013, when testifying before the House Ways & Means Committee, Gary Cohen, the director of CMS' Center for Consumer Information and Insurance Oversight, contradicted his earlier statements and [said](#) HHS was going to check American's income level and eligibility. He said HHS would be "sampling 100 percent" of applicants for coverage to have their income verified before receiving federal insurance subsidy for health coverage.

**So if members believe HHS is on track to take necessary precautions, then they should be able to support this amendment.** As CBO [noted](#), "a program is currently being put in place to verify income and coverage qualifications for the tax credits and subsidies."

**However, given the Administration's record, it's highly questionable the program being developed and HHS's aspirational statements will match operational reality.**

For example, HHS has already [missed dozens of deadlines](#) in *federal law*.

More recently, HHS [announced](#) it has delayed signing the final agreements with plans to be sold on Exchanges starting October 1.

And a review by the Congressional Research Service [found](#) the Administration has already delayed five significant provisions of the law.

**This amendment would require that the Inspector General of the U.S. Department of Health and Human Services (HHS OIG) certify that a program to "successfully and consistently" verify household income is operational, *before any federal subsidies could be sent out.***

Given that HHS is weeks away from determining eligibility for billions of dollars of federal subsidies, HHS should at least be required to take needed, common-sense steps to prevent fraud.

The concerns about program vulnerabilities remain valid, based on the significant body of research from the Government Accountability Office and HHS OIG showing vulnerabilities with other existing HHS programs.

**On Wednesday, September 11, 2013, The White House issued a [veto threat](#) to the House bill on which this amendment is based.** This amendment mirrors legislation in the House (H.R. 2775, led by Rep. Diane Black) and in the Senate (S.1455, led by Dr. Coburn).

In the words of the White House, the House version of the legislation "would undermine this [coverage] security by delaying tax credits and cost-sharing reductions that will otherwise be provided to millions of

Americans." The White House even warned that the "legislation's unnecessary pre-certification requirement would impede opening the Marketplaces on October 1st."

**If the Exchange subsidy program *were* secure and verifying income as the Administration has claimed, there be no delay in subsidies being disbursed.**

But the Administration's warning of a delay is a tacit admission that their program is not ready for prime time. Their own words stand as a surprising but stark confirmation about the concerns regarding the integrity of the payments.

**Current law includes a provision which limits how much the federal government can recover in improper payments to beneficiaries for premiums for which they were ineligible.**

This means that the law currently prevents recovering overpayments to individuals who turn out not to be eligible for them.

Without passing this amendment, the current cap on recovering overpayments will prevent federal officials from pursuing overpayments –potentially hundreds of millions, even billions of dollars in overpayments.

**Members of Congress have a duty to protect taxpayer dollars from being wasted and the system from being defrauded.** Members who are serious about this responsibility should support this amendment.