

Dr. Coburn's Bill "Requiring E-VERIFI" of Obamacare Subsidies

Protecting Taxpayers by Requiring Obamacare Exchanges to Verify Income Before Disbursing Subsidies

On August 1st, Drs. Coburn, Barrasso and Boozman introduced the "Requiring Exchange Verification of Eligibility to Receive Income-Related Funds for Individuals" or "Requiring E-VERIFI" Act of 2013 ([S.1455](#)). This bill 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 Exchange subsidies could be sent out* under the Patient Protection and Affordable Care Act/Obamacare.

There have been a [number](#) of [concerns](#) as to whether or not the Administration would ensure that Americans receiving subsidies under the law meet the eligibility requirements of the law. Based on the intensity of these concerns, when testifying before the House Ways & Means Committee in August 2013, Gary Cohen, the director of CMS' Center for Consumer Information and Insurance Oversight, back-pedaled from prior statements and [announced](#) 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.

However, the concerns about program vulnerabilities remain valid, based on the implementation challenges HHS is facing, and the significant body of research from the [Government Accountability Office](#) and [HHS OIG](#) showing vulnerabilities with other existing HHS programs. While Dr. Coburn supports repealing Obamacare and replacing it with market-driven, patient-centered reforms that lower costs, as Obamacare is being implemented, HHS should at least be required to take needed, common-sense steps to prevent fraud.

If Members of Congress believe HHS is taking all necessary precautions to prevent the fraudulent diversion or abuse of taxpayer dollars, they should support Dr. Coburn's bill. However, there are at least two important reasons Members of Congress and concerned citizens should support the passage of this bill.

First, given the Administration's record, it's highly questionable the program HHS's aspirational claims will match operational reality. The Administration's launch of Obamacare has been full of glitches and delays. To date, HHS has already [missed dozens of deadlines](#) it was required to meet in federal law. And a [review](#) by the Congressional Research Service found the Administration has already delayed five significant provisions of the law. Why should Congress trust HHS's claims when they've delayed, ignored, or bungled other requirements in the law?

Second, on September 11, 2013, the White House issued a [veto threat](#) against the House companion version of this bill. (Dr. Coburn's bill is the Senate companion to Rep. Diane Black's "[No Subsidies Without Verification Act](#)" (H.R. 2775 which [passed the House](#) on September 12, 2013 with five Democrats supporting it). 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 Americans." The White House even warned that the "legislation's unnecessary pre-certification requirement would impede opening the Marketplaces on October 1st."

However, if the Exchange subsidy program were secure and verifying income as the Administration has claimed, there be no delay in subsidies being disbursed. Therefore, the Administration's veto threat effectively confirms suspicions the that program is not ready for prime time and could waste taxpayer dollars.

Adopting Dr. Coburn's bill is especially important because the law includes a provision which limits how much the federal government can recover from sending a greater amount of subsidy to consumers than for which they were eligible. In other words, the law currently prevents recovering overpayments to individuals who turn out not to be eligible for them. [Citation: P.L. 112-9, Sec. 4 amends sec 36B(f)(2)(B) of the Internal Revenue Code.] However, unless Congress adopts this bill, this cap on recovering overpayments will prevent federal officials from pursuing overpayments –potentially hundreds of millions, even billions of dollars in overpayments. In fact, [according to CBO](#), if that cap on recapturing subsidy overpayments were eliminated, taxpayers would save \$43 billion over a decade.

Members of Congress have a duty to protect all taxpayer dollars from being wasted and federal payment systems from being defrauded. Member of Congress who are serious about this responsibility should support this bill.