

Congress of the United States
Washington, DC 20510

May 21, 2017

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Verma:

We write with serious concerns about a report that you recently sought health insurance executives' political support for Trumpcare in exchange for congressionally mandated cost-sharing reductions, or CSRs, required under the Affordable Care Act (ACA). These efforts to use the American healthcare system – particularly a program designed to assist low-income Americans who benefit from lower deductibles and co-payments under the ACA – as a bargaining chip are unacceptable.

On May 19, the *Los Angeles Times* reported:

At one recent meeting, Seema Verma, whom Trump picked to oversee the federal Medicare and Medicaid programs, stunned insurance industry officials by suggesting a bargain: The administration would fund the CSRs if insurers supported the House Republican bill to repeal the Affordable Care Act.¹

This report comes as it grows increasingly clear that health insurers across the country are making plans to dramatically raise premiums or exit the individual market due to the Administration's "erratic management, inconsistent guidance and seeming lack of understanding of basic healthcare issues," as reported in the *Los Angeles Times*. According to multiple reports, insurers believe the Trump Administration is driving much of the current market instability, rising premiums, and insurer exits, by refusing to commit to steps to keep markets running, such as funding CSRs.

During your confirmation hearing before the Senate Committee on Finance, you stated that "I think it's the role of the CMS administrator to carry out the laws that are created by Congress," and "[i]f I'm confirmed as a CMS administrator it's my job to follow the law and to implement the programs as designed by Congress."²

Your reported actions suggest you are using the operation of the American healthcare system as a tool to gain leverage in political negotiations. It is wholly inappropriate for you to use federally appropriated money intended to lower the cost of quality, affordable healthcare as a bargaining

¹ *Health Insurers plan big Obamacare rate hikes—and they blame Trump*, Los Angeles Times (May 19, 2017).

² C-SPAN, "Centers for Medicare and Medicaid Services Administrator Confirmation Hearing," February 16, 2017, <https://www.c-span.org/video/?423823-1/cms-administrator-nominee-seema-verma-testifies-confirmation-hearing>, at 1:32:20 and 2:03:20.

chip to garner political support for unpopular legislation being negotiated behind closed doors by the Trump Administration and Congressional Republicans.

In order for us to better understand the details of this meeting, please provide answers to the following questions and provide the following documents no later than close of business on June 2, 2017:

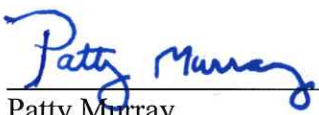
1. Besides your reported offer, did anyone else at CMS or the Department of Health and Human Services (HHS) make an offer of exchanging CSRs or other congressionally approved funds in exchange for support of the Affordable Health Care Act (AHCA) or other health care proposals being considered in Congress? If so, please provide their names and positions. Who directed them to make this offer?
2. Was the proposal to offer these funds to insurance companies vetted with the agency's general counsel or ethics officer to ensure that such offer complied with all applicable federal laws, regulations, and ethics guidelines? If so, please provide a copy of any such analysis.
3. Please provide all documents and communications pertaining to the offer to pay CSRs in exchange for insurers' endorsement of the AHCA, including any notes from the above referenced meeting(s) with insurers. Please also provide a list of individuals who participated in this meeting.
4. Please provide a copy of any communications relating to any other proposed quid pro quos, bargains, or deals with other stakeholders, companies, organizations, or other entities likely to be affected by the AHCA, in which favorable treatment was offered in exchange for support for the AHCA.

Thank you for your prompt attention to this matter.


Sincerely,




Ron Wyden
Ranking Member
Senate Finance Committee



Patty Murray
Ranking Member
Senate HELP Committee



Richard Neal
Ranking Member
House Committee on Ways and Means



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

cc: Secretary Thomas Price
Department of Health and Human Services