



Written by [Raven Clabough](#) on June 16, 2014

ObamaCare Errors Make Eligibility Difficult to Determine

With consumer advocates voicing concerns that hundreds of thousands of people may need to repay some or all of their health insurance subsidies, the Obama administration now plans to contact thousands of those recipients of health subsidies to ensure that they are in fact eligible.



According to the Congressional Budget Office, each person who receives a subsidy will receive approximately \$4,400.

While subsidies depend on household income and the number of people in a family seeking assistance, the *New York Times* reports on the various difficulties that the Department of Health and Human Services has in confirming the information provided, including family size. Likewise, it is also having a tough time checking information about employer-sponsored insurance.

A government [document](#) released last month indicates that at least two million people enrolled in taxpayer-subsidized private health insurance have data discrepancies.

The *New York Times* reports, “Of the eight million people who signed up for private health plans through insurance exchanges under the new healthcare law, two million reported personal information that differed from data in government records, according to federal officials and Serco, the company hired to resolve such inconsistencies.”

As a result, the government will be asking these people for proof of their household income, citizenship, Social Security numbers, and immigration status in order to be sure that they are in fact eligible for their subsidies. They will also be obtaining information regarding any health coverage they may have from their employers.

As noted in the *Times*, the federal subsidies for the health insurance policies are a “cornerstone of the Affordable Care Act.” Eight out of 10 people who have signed up for health plans through the exchanges have been determined to be eligible for subsidies including income tax credits. The federal government, or the taxpayers, have paid \$4.7 billion in subsidies thus far, and that amount is expected to reach \$900 billion over the next decade.

Fears that some recipients of the subsidies are not eligible for those subsidies has prompted consumer advocates to voice concerns that those recipients will have to repay the subsidies. Since June 1, the Obama administration has sent notices to hundreds of thousands of people that indicate “the information in your application doesn’t match what we found in our records.” If the recipients of those notices do not “follow up as soon as possible and provide more documents to make sure the marketplace has the correct information,” those recipients, as stated in the notice, run the risk of losing the marketplace coverage.

“The law requires us to double- and triple-check this data,” said Julie Bataille, a spokeswoman at the Centers for Medicare and Medicaid Services, so “we’re reaching out to consumers — via mail, email and phone calls — to encourage them to provide supporting documentation.”



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Mara Youdelman, a lawyer at the National Health Law Program, an advocacy group for low-income people, said, "In some cases, consumers say they already sent the documents to the federal marketplace. They don't understand why they are being asked to send them in again."

The process of submitting that paperwork has not been an easy one, however, with some consumers stating that they have sent the paperwork to Serco's office and unsure why they need to do it again. Others have reported issues when trying to upload their documents through HealthCare.gov.

And while the Obama administration is now concerning itself with subsidy eligibility, Republicans had warned that the administration had not be doing a sufficient job in verifying eligibility status of those who applied for the subsidies.

The government enrolled people "before the systems were in place to accurately confirm eligibility," said Representative Diane Black (R-Tenn.).

The applications were rather misleading, in fact, with applicants being told that they were eligible for subsidies but that in order to keep the subsidies, they would have to submit more information to confirm their eligibility status.

Some consumers may be in for a rude awakening as a result. Representative Erik Paulsen, (R-Minn.), said "many Americans are going to find out that they owe money to the Internal Revenue Service because their premium tax credits were paid incorrectly."

Some Democrats have pointed to these criticisms as Republican zeal to disparage the healthcare law. "Our Republican colleagues have called us again this morning to once again to try tear down the Affordable Care Act," said Rep. Jim McDermott (D-Wash.). "It really is a disappointing thing on the part of my Republican colleagues because the Affordable Care Act is working."

But officials are concerned that consumers will be angry when they find that their tax liability is higher than they expected. Families USA executive director Ronald Pollack shares concerns that "the longer the process of verifying and resolving inconsistencies takes, the more some consumers will owe when they reconcile their tax returns."

Republicans are calling upon the Obama administration to stop all subsidies under ObamaCare until it can prove that it is sending the correct amount. The Hill reports that the GOP stance strengthened following a report that "found millions of people could have to pay back a portion of their Obamacare health insurance subsidies because they weren't actually eligible to achieve what they received."

Following the release of that report, Rep. Diane Black reintroduced a bill that would stop subsidies to ObamaCare recipients until the system is fixed.

Republican Representative Charles Boustany of Louisiana warns that the administration's failure to be accurate in its dispensing of subsidies could create a "nightmare scenario" during the 2015 tax season. "Although these subsidies are going directly to insurers, next year the IRS will be in the position of recouping overpayments directly from individuals," he said. "Many of these individuals will end up with unexpected tax debt through no fault of their own but from simply not understanding the quirks and complexities of the President's health care law."

"Blame for this mess falls squarely on the White House," said Rep. Kevin Brady (R-Texas), who asserts that the administration was too concerned with advancing its healthcare reform to consider cost.

But Democrats contend that to stop the subsidies would do more harm than good. Democratic Rep. John Lewis of Georgia asserts that halting subsidy payments would hurt the overwhelming majority of



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insurance holders.





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