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Opening Statement Rep. Elijah E. Cummings, Ranking Member

Hearing on "IRS: Enforcing ObamaCare's New Rules and Taxes"

August 2, 2012

The Affordable Care Act is a landmark achievement that will save huge sums of money for our nation while extending health insurance coverage to millions of people.

Last month, the Congressional Budget Office issued a report finding that the Affordable Care Act will extend health insurance coverage to 30 million people who do not have it today. That is an amazing accomplishment that our nation should be proud of.

In addition, our constituents are already seeing how the Affordable Care Act is putting money back in their pockets. This week, insurance companies are returning to their customers more than \$1 billion in the form of rebates and lower premiums. That is a direct result of the Affordable Care Act.

Just yesterday, women in private health insurance plans became eligible for life-saving, preventive health screenings—with no co-pays. This is part of the Affordable Care Act's comprehensive effort to save money by focusing on prevention. It also addresses the historic disparities women face when paying for healthcare.

The Affordable Care Act also has begun to ensure that seniors have access to preventive care, young adults have access to insurance on their parents' plans, and individuals are no longer subject to lifetime limits on care.

While all these reforms are being realized now, many significant changes are yet to come. The Internal Revenue Service is a key agency charged with implementing many of the Affordable Care Act's provisions by 2014, including minimum coverage requirements and tax credits for individuals purchasing health insurance on the exchanges.

This is a considerable undertaking for the IRS. Experts from the Government Accountability Office, the Inspector General's office, and the National Taxpayer Advocate have reviewed IRS efforts to date, and they have concluded that the IRS is on the right track to successfully implement the law.

For example, GAO issued a report that says this: the IRS “generally followed leading practices for implementing such a large program, particularly at the level of individual offices and projects,” emphasizing that “top leadership has been involved.”

In addition, the Inspector General issued a report that says this: “appropriate plans had been developed to implement tax-related provisions of the ACA using well-established methods for implementing tax legislation.”

And in her testimony today, Nina Olson, the National Taxpayer Advocate, says this: “Since ACA enactment, the IRS has been working through the major challenges, making significant progress. ... The lead-time provided by the ACA has been very helpful for the IRS, and at this point, it appears the IRS has used the time well.”

Certainly, there are significant challenges in implementing this law. And as the IRS moves forward, it benefits greatly from the continued rigorous oversight and recommendations from GAO, the IG, and the National Taxpayer Advocate.

At the same time, we recognize that the IRS has been actively planning to implement the Affordable Care Act for more than two years, and it has already implemented many of the provisions successfully. For the challenges that remain, the IRS is working closely with taxpayers, the business community, and the insurance industry to ensure that its policies are responsive to consumers and consistent with the intent of Congress in passing the law.

Today, the Committee is faced with a choice. Do we act constructively or destructively? Do we build up or tear down? Do we help or hurt?

On one hand, we could work with the IRS and its oversight entities to ensure that the Affordable Care Act is successfully implemented, particularly now that the Supreme Court has ruled that it is constitutional. On the other hand, we could try to exploit any and all ways to bring down this law or starve the IRS of the resources it needs to do its job.

I personally hope we pursue the first approach. However, Republicans have introduced legislation to do the second. The Congressional Budget Office has examined the Republican bill to repeal the Affordable Care Act and concluded that it would increase the federal budget deficit by \$109 billion over the next ten years.

It is time to accept the Affordable Care Act, to accept the Supreme Court decision, and to accept the billions of dollars in savings this law will bring for our citizens. I look forward to today’s testimony, and I thank our witnesses for being here.

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