



**Legislative Bulletin.....September 11, 2013**

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**H.R. 2775 –No Subsidies Without Verification Act  
(Black, R-TN)**

**Order of Business:** [H.R. 2775](#) is scheduled to be considered on Wednesday, September 11, 2013, under a closed rule, [H.Res.339](#).

**Summary:** H.R. 2775 would block the Administration from providing subsidies provided in the Patient Protection and Affordable Care Act (Obamacare) until such time that the anti-fraud measures are fully certified to have been implemented.

**Additional Background:** On July 5, 2013, the Department of Health and Human Services [released](#) more than 600 pages of regulations, which included the announcement that it would delay until 2015, requirements for verification of qualifications for insurance subsidies provided by the Affordable Care Act, thus creating a system of “self certification.” Allowing individuals to apply for and receive subsidies without verification could very conceivably lead to fraudulent subsidy claims.

The Senate Appropriations Committee unanimously passed S. 1284, of which Section 226 affirms that the Obama administration should “verify annual household or individual income prior to making available premium tax credits under the Patient Protection and Affordable Care Act.”

**Committee Action:** Representative Diane Black (R-TN) introduced H.R. 2775 on July 22, 2013. That day, the bill was referred to the Committee on Energy and Commerce, as well as the Committee on Ways and Means. The bill was further referred to the Subcommittee on Health under the Committee on Energy and Commerce on July 26, 2013. The bill was reported out of the Committee on Rules, as [amended](#), by voice vote on September 10, 2013.

**Administration Position:** On September 10, 2013, the Administration released its [Statement of Administration Policy](#) strongly opposing H.R. 2775 and announcing that the President would veto H.R. 2775 were it to be presented.

**Cost to Taxpayers:** The Congressional Budget Office and the Joint Committee on Taxation estimate that H.R. 2775 would not affect direct spending or revenues. They also note that, in their

view, “a program is currently being put in to place to verify income and coverage qualifications for the tax credits and subsidies.”<sup>1</sup>

**Does the Bill Expand the Size and Scope of the Federal Government?** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?** The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

**Constitutional Authority:** The Constitutional Authority Statement accompanying the bill upon introduction states, “Congress has the power to enact this legislation pursuant to the following: United States Constitution Article I Section 8.”

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<sup>1</sup> <http://www.cbo.gov/sites/default/files/cbofiles/attachments/hr2775.pdf>