



SENATE COMMITTEE ON HOMELAND SECURITY & GOVERNMENTAL AFFAIRS
Permanent Subcommittee on Investigations

“Assessing the Damage Done by Obamacare”

November 6, 2025 – 1:00 PM

OVERVIEW

On Thursday, November 6, the Senate Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations held a hearing titled, “Assessing the Damage Done by Obamacare.” During the hearing, Senators and witnesses discussed: the Affordable Care Act (ACA) Premium Tax Credits (PTCs), ACA Open Enrollment, Farm Bureau health plans, high-risk pools, pre-existing conditions, Medicaid expansion, employer-sponsored plans, the government shutdown, insurance incentives, Medicare Drug Price Negotiation, Medicare Advantage (MA), provider taxes, and fraud.

Majority members present included: Johnson, Ernst, and Scott.

Minority members present included: Blumenthal and Hassan.

OPENING STATEMENTS

- [Subcommittee Chair Ron Johnson \(R-WI\)](#)
- [Subcommittee Ranking Member Richard Blumenthal \(D-CT\)](#)

WITNESS PANEL

- [Joel White](#) – President, Council for Affordable Health Coverage
- [Tarren Bragdon](#) – President and Chief Executive Officer, Foundation for Government Accountability
- [Brian Blase, Ph.D.](#) – President, Paragon Health Institute
- [Shana Verstegen](#) – Small Business Employee and ACA Marketplace Enrollee

QUESTION AND ANSWER SUMMARY

Chair Ron Johnson (R-WI) – Ms. Verstegen, what type of insurance did you have in 2013?

Ms. Verstegen – In 2013, I was enrolled in employer-sponsored health insurance.

Chair Johnson – Do you remember how much you contributed to your insurance plan in 2013?

Ms. Verstegen – I paid nearly \$600 monthly because I was a woman of childbearing age. My husband paid \$200 monthly. We found those premiums to be unaffordable.

Chair Johnson – In 2014 and 2015, you were still enrolled in employer-sponsored coverage, correct?

Ms. Verstegen – Correct.

Chair Johnson – In 2016, you lost your employer-sponsored coverage, so you turned to the Affordable Care Act (ACA) Marketplace. In 2019, were you paying \$1,000 monthly for an ACA Silver plan?

Ms. Verstegen – I do not remember if the plan was Silver-tier, but the monthly premium sounds accurate.

Chair Johnson – What is your current deductible and out-of-pocket (OOP) maximum?

Ms. Verstegen – This year I do not have deductibles, but I have high copays and an OOP maximum. I do not remember what my deductibles were in 2019, but I know they were significantly less than what they are currently.

Chair Johnson – Was your OOP maximum \$14,000 in 2019?

Ms. Verstegen – I believe that is correct.

Chair Johnson – Were you receiving ACA subsidies in 2021?

Ms. Verstegen – I do not believe so.

Chair Johnson – If you were paying \$250 per month you probably were receiving subsidies. For 2025, your monthly net premium has been \$460. Your monthly gross premium has been \$1,260 for 2025. Accounting for the national average gross premium increase, your total annual premium will go from \$15,000 to \$19,000 in 2026. Do these numbers sound correct?

Ms. Verstegen – I believe the annual premiums are slightly less than that.

Chair Johnson – You will be paying \$700 monthly in 2026. That means \$8,400 annually, correct?

Ms. Verstegen – Yes.

Chair Johnson – That means you will be receiving a subsidy of about \$10,000 even without the enhanced premium tax credits (EPTCs).

Ms. Verstegen – Right now my premium would go down to \$400 with the EPTCs.

Chair Johnson – There is no reason for your plan to cost \$19,000 annually. Democrats set the EPTCs to expire at the end of 2025. Even with the expiration of the EPTCs, you will still be receiving a \$10,000 subsidy. The ACA’s “faulty design” is beneficiaries enrolled in individual policies have been bearing the full cost for individuals with preexisting conditions, which is why premiums have become expensive in the ACA Marketplace.

Ms. Verstegen – I am not an expert on the premiums rising, but I do know the ACA is the only coverage option for my family and others with Huntington’s Disease. I hope lawmakers can work together to help rein in corporate spending. Premiums are increasing, but so are all my other bills. The answer is not to further increase premiums.

Chair Johnson – This is your only coverage option because the ACA made it your only option. The reason you cannot afford health insurance is because the ACA made premiums “skyrocket.” It does not make sense for Congress to spend hundreds of millions of dollars to “mask the faulty design” of the ACA.

Ms. Verstegen – If I tested positive for Huntington’s Disease before the ACA, what would my insurance options have been?

Chair Johnson – Prior to the ACA, there were high-risk pools at the state level. There was guaranteed issue and costs were spread out across everybody. The system “worked marvelously.”

Ranking Member Richard Blumenthal (D-CT) – Prior to the ACA, new treatments for Huntington’s Disease would have only been available to patients if they were insured, correct?

Ms. Verstegen – I assume so.

Ranking Member Blumenthal – Can you discuss how the possibility of not receiving EPTCs for 2026 has impacted your insurance decision?

Ms. Verstegen – The possibility of not receiving EPTCs has led to serious conversations within our family about insurance coverage. We are discussing if we could live without health insurance. My husband may have to leave his small business so our family can enroll in affordable healthcare through employer-sponsored insurance.

Ranking Member Blumenthal – How important is health insurance for those suffering from Huntington’s Disease?

Ms. Verstegen – Anybody with Huntington’s Disease relies on health insurance to access treatments.

Ranking Member Blumenthal – New treatments can be expensive, correct?

Ms. Verstegen – Yes.

Ranking Member Blumenthal – Advances in medical care can be expensive, especially if they are newly developed.

Ms. Verstegen – Correct.

Ranking Member Blumenthal – I have called on pharmaceutical companies and providers to lower the costs of their services. I have led investigations into abuses by Medicare Advantage (MA) insurers. Giving Medicare the power to negotiate lower drug prices is particularly beneficial for beneficiaries. I have sponsored measures to take enforcement action against insurers, including the [Insurance Fraud Accountability Act](#).

Sen. Rick Scott (R-FL) – Premiums are increasing because hospitals and drug companies are charging more money, and there is little incentive to rein in spending. Before the ACA, most states used high-risk pools to minimize spending and costs, which the ACA outlawed. Consumers should be able to choose their insurance plan. There is “unbelievable fraud” in ACA plans; money is going directly to insurance companies with little oversight. There are millions of people who are enrolled in an ACA plan but do not know it. How do individual plans compare to employer-sponsored plans?

Mr. White – The tragedy is consumers can only use their ACA subsidies to lower the price they are paying for ACA plans. The Silver level unsubsidized deductible is \$5,000 annually. The average annual deductible for a small group plan is about \$2,000. Beneficiaries cannot apply their subsidy to a small group plan.

Sen. Scott – Why?

Mr. White – Because this is how the ACA was written.

Sen. Scott – Why?

Mr. White – I do not know. Pre-ACA, 50 percent of small businesses offered insurance coverage. Today, 31 percent of small businesses do. 80 percent of ACA plans are either health maintenance organization (HMO) plans or exclusive provider organization (EPO) plans, meaning access is limited for out-of-network care. If I stayed with my small business plan, I would have lower deductibles, premiums, and better access to providers.

Chair Johnson – The intent of the ACA was to move healthcare in the United States towards a single-payer system. There is no reason for growth in healthcare costs to be double the inflation rate. Can you discuss health insurance consolidation?

Mr. White – The ACA created a “one-way street” where once small businesses drop coverage, they generally do not come back. There has been “massive consolidation” in insurance and hospital markets. Hospital market consolidation has “drove up prices 15 to 30 percent.”

Chair Johnson – There is no incentive for industry to lower costs anywhere along the supply chain.

Mr. White – The Medical Loss Ratio (MLR) incentivizes insurers to raise premiums. The MLR also creates incentives for insurers to buy practices, and these costs bleed into the employer-sponsored insurance market. Large employers are not subject to the regulations and mandates that are in the individual market, which further increases costs.

Chair Johnson – Mr. Bragdon, can you discuss how disabled children are being crowded out by working age, able-bodied adults in the insurance market?

Mr. Bragdon – The ACA created a “perverse” system which encourages “money laundering schemes” by states to maximize payments for the Medicaid expansion population. This means individuals with disabilities are “on the chopping block first” because when states need to save money, they save more by decreasing services for disabled individuals.

Chair Johnson – Is it true President Joe Biden allowed providers to charge commercial rates for the Medicaid expansion population, so providers get reimbursed more for caring for a healthy adult compared to a disabled child?

Mr. Bragdon – Yes, and providers respond to financial incentives. So, if I make more money by serving an able-bodied Medicaid beneficiary compared to a Medicare beneficiary, I would treat the Medicaid beneficiary.

Chair Johnson – Dr. Blase, can you discuss the impact of guaranteed issue in the ACA Marketplace?

Dr. Blase – 35 states used high-risk pools prior to the ACA. If a person could not get private insurance, they would apply to the state high-risk pool. The common critique was the high-risk pool was not adequately funded.

Chair Johnson – Congress would have to “tweak” high-risk pools.

Dr. Blase – Reinstating high-risk pools is a reasonable action. The ACA inflated costs significantly in the individual market. Insurers make substantial money from phantom enrollees. The MLR means insurers need to spend premium revenue, meaning “they can look the other way.” This results in high utilization, which benefits providers. Behavioral health providers in particular are taking advantage of this incentive.

Sen. Joni Ernst (R-IA) – The ACA’s “one size fits none” model ignores the reality of self-employment, seasonal cash flow, and the absence of corporate employers in rural areas. Many farmers have been forced to take off-farm jobs to obtain employer-sponsored coverage. Democrats branded the ACA as a way to bend the cost curve downward, which has not happened. If the ACA was supposed to expand consumer choice and lower costs, why are several Iowa counties only served by one ACA insurer?

Dr. Blase – Farm Bureau plans are available in rural states such as Iowa, and they are not subject to ACA rules. The ACA failed by reducing individual choice for health insurance coverage.

Sen. Ernst – Does having insurance mean you can always access care?

Mr. White – Having an insurance card does not always mean having access to providers. 80 percent of ACA plans are Managed Care Organizations (MCOs), meaning plans are often paying no money for out-of-network care. Families are struggling and constrained in their choices for providers.

Sen. Ernst – The ACA “outlawed” state-level high-risk pools. Zero-dollar premium plans have enabled scammers to take advantage of consumers. Do you believe third party payers have a role in fraud and waste in the ACA Marketplace today?

Dr. Blase – The premium tax credits have led to more fraud in the program by allowing bad actors to advertise free gift cards and cash to incentivize consumers to sign up for plans. “The big winners are insurance companies.”

Sen. Ernst – I hope Congress can reopen the federal government so we can have further discussions. The federal government should not be regulating personal choices to this extent.

Sen. Maggie Hassan (D-NH) – Prior to the ACA, many consumers could not obtain health insurance if they had preexisting conditions. With the start of Open Enrollment this week, consumers on the ACA Marketplace have been notified their premiums have increased substantially. If beneficiaries become uninsured, it increases the cost of employer-sponsored insurance. Can you discuss the uncertainty your family faced prior to the ACA?

Ms. Verstegen – Before the ACA, those whose parents had Huntington’s Disease feared they would not be able to enroll in insurance if they tested positive for the condition. My situation is similar to the farm families Sen. Ernst was discussing, and I am wondering how not having the EPTCs in 2026 will impact those individuals too.

Chair Johnson – If EPTCs expire, beneficiaries whose incomes are below 400 percent of the federal poverty level (FPL) will remain eligible for the original ACA premium tax credits.

Sen. Hassan – Consumers are being notified of increased premiums and will not be able to afford health insurance if the EPTCs expire.

Chair Johnson – Democrats must acknowledge the flaws of the ACA.

Ranking Member Blumenthal – Ms. Verstegen, you would be paying \$2,400 more annually in health insurance costs next year if the EPTCs expire, correct?

Ms. Verstegen – Correct.

Ranking Member Blumenthal – When do you have to make the decision to stay on your health insurance coverage?

Ms. Verstegen – My family remains optimistic the EPTCs will be extended.

Ranking Member Blumenthal – But your decision must be made soon, correct?

Ms. Verstegen – Correct. Congress should help my family afford our premiums for 2026.

Ranking Member Blumenthal – The alternative for your family is forcing your husband to find a job with employer-sponsored coverage, shopping for a cheaper ACA plan, or becoming uninsured, correct?

Ms. Verstegen – With two children, becoming uninsured would not be a smart choice. My husband and I were not able to find a cheaper plan on the ACA Marketplace for 2026. It is not just healthcare costs, my family has other bills to pay as well, so \$200 per month less in insurance costs would make a big difference.

Ranking Member Blumenthal – Chair Johnson stated the ACA has a faulty design, but high-risk pools at the state level would mean those with preexisting conditions pay more for coverage. Republicans want to “regress towards a dark time” in healthcare history. How would you be impacted by the reimplementing of high-risk pools?

Ms. Versteegen – Pre-ACA, there were few insurance options for me if I tested positive for Huntington’s Disease. It is important for me to know my children will have health coverage if Huntington’s Disease gets passed down to them.

Ranking Member Blumenthal – How would an increase in your deductible impact you?

Ms. Versteegen – An increase in deductibles would not be helpful. We are a healthy family, but medical events happen, and we would be forced to pay more OOP.

Chair Johnson – When I discuss high-risk pools, I acknowledge they were not perfect. But in Wisconsin they were “effective” pre-ACA.

Sen. Scott – What was your monthly premium in 2019?

Ms. Versteegen – \$1,000.

Sen. Scott – What was your monthly premium this year?

Ms. Versteegen – \$460.

Sen. Scott – Why did the premium decrease? Did your income decrease?

Ms. Versteegen – My husband and I selected a lower tiered plan. And we also have the assistance of the EPTCs, which we did not have in 2019.

Sen. Scott – If the EPTCs were extended into 2026, what would your premium be?

Ms. Versteegen – I do not know. This year, my family has received approximately \$800 monthly from EPTCs.

Sen. Scott – Is your family income below 400 percent of the FPL?

Ms. Versteegen – No.

Sen. Scott – Would a family of two face increased premiums if EPTCs expire?

Dr. Blase – The underlying ACA premium tax credits are permanent and limit the amount a family has to pay for a plan. As premiums have increased over time, enrollee share has remained the same. The vast majority of ACA enrollees are lower income and will continue to receive “generous premiums” from the ACA. Most enrollees will pay less than \$80 monthly for coverage. The original ACA subsidies only covered enrollees below 400 percent of the FPL. The ACA has increased the cost of coverage over time and has led to higher premiums.

Sen. Scott – Is a family of two making less than \$85,000 annually below 400 percent of the FPL?

Dr. Blase – They are likely right above the 400 percent threshold.

Sen. Scott – Would their premiums change if the EPTCs expire?

Dr. Blase – Enrollees under 400 percent of the FPL will still receive a large subsidy if the EPTCs expire.

Sen. Scott – Was the 400 percent threshold the design of the ACA?

Dr. Blase – Yes. In 2009, President Barack Obama stated he would not sign legislation which increased the deficit.

Sen. Scott – Was the ACA supposed to save \$100 billion?

Dr. Blase – Congress has repealed the Cadillac Tax and the Medical Device Tax. The “cost savers” in the original ACA have been repealed, which “leaves the giant spending provision” of the legislation.

Sen. Scott – Have EPTCs reduced the cost of the ACA?

Dr. Blase – The ACA is now significantly contributing to the deficit due to the EPTCs.

Sen. Scott – Can you discuss Medicaid fraud?

Mr. Bragdon – There are ineligible individuals enrolled in Medicaid. The Obama Administration took away the ability for states to verify income eligibility regularly.

Sen. Scott – Why?

Mr. Bragdon – There is incentive for fraud when eligibility checks do not occur regularly.

Sen. Scott – If it was not to increase fraud in Medicaid, why would the Obama Administration have limited the frequency of Medicaid income eligibility checks?

Mr. Bragdon – I am not sure.

Sen. Scott – Can you discuss the cost of provider taxes?

Mr. Bragdon – The provider tax is “one of the craziest money laundering schemes” in healthcare. States can tax Medicaid MCOs and providers, and then states increase payments to Medicaid MCOs and providers to draw down federal money.

Sen. Scott – Do states get the money back?

Mr. Bragdon – Yes. Medicaid expansion states in particular take advantage of this incentive structure.

Chair Johnson – Net premiums are increasing because gross premiums are increasing. There is no incentive for industry to lower costs. EPTCs incentivize ACA enrollees to retire early. The original intent of the ACA was to solely subsidize lower income people, those making below 400 percent of the FPL.

Dr. Blase – There is no asset test on the premium tax credits. There are incentives for couples to retire early. There is also an incentive for states to “dump their retirees” into the ACA Marketplace. In 2013, the individual market was unsubsidized. In 2020, before the EPTCs were implemented, the individual market was 75 percent subsidized. Now, it is a 90 percent subsidized market. There needs to be more competition, which the Biden Administration has restricted.

Chair Johnson – Problems cannot be solved without diagnosing them first. Democrats should not “mask the faulty design of the ACA.”

Ranking Member Blumenthal – The only people harmed by the ACA are those who will be paying higher premiums next year if they do not have the financial support of EPTCs. Ms. Versteegen, will you be paying more for health insurance next year?

Ms. Versteegen – Yes.

Ranking Member Blumenthal – Will you be paying more in health coverage because the EPTCs are going to expire?

Ms. Versteegen – Yes. I am limited in my insurance options now, but I also did not have many options before the ACA.

Ranking Member Blumenthal – The increase in premiums will come in addition to rising costs for housing and electricity, correct?

Ms. Verstegen – Correct.

Ranking Member Blumenthal – This is an affordability crisis which will be aggravated significantly if the EPTCs are not extended. Even though your family is generally healthy, medical events can happen, correct?

Ms. Verstegen – Yes.

Ranking Member Blumenthal – And you do not want to risk becoming uninsured, correct?

Ms. Verstegen – Correct.

Ranking Member Blumenthal – Dr. Blase mentioned a Paragon Health report which stated there has been persistent “double counting” of ACA enrollees. Several articles from other outlets criticize the validity of this report.

Dr. Blase – Paragon conducted multiple reports on phantom enrollment in the ACA Exchanges. Paragon compared the number of enrollees who signed up in the ACA Marketplace in specific income categories with the number of people from the Census Bureau in those same income categories. In 2021, four million ACA enrollees did not use any healthcare services; in 2024, this number increased to 12 million.

Ranking Member Blumenthal – I hope other Members will also support combatting fraud in MA and support ongoing Medicare drug price negotiations.

Chair Johnson – Ranking Member Blumenthal does not want to acknowledge phantom enrollees in the ACA Marketplace. He stated nobody has been harmed by the ACA, but Ms. Verstegen has been harmed in the form of increased premiums, even with the assistance of the EPTCs.

Ranking Member Blumenthal – I do not deny the presence of wrongdoing and fraud in the ACA or in any other government programs. If Chair Johnson wants to combat fraud and waste, he should support the Insurance Fraud Accountability Act. Repealing the ACA is not what Americans want.

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Please click [here](#) for the archived hearing.