

House panel subpoenas 8 health insurers



Illustration of a stethoscope draped over the dome of the US Capitol building.

Illustration: Gabriella Turrisi/Axios

House Judiciary Committee Republicans have subpoenaed eight Affordable Care Act health insurers for documents as part of a widening investigation of potential fraud surrounding the use of premium subsidies in the individual market, Axios has learned.

Why it matters: Enhanced premium tax credits for ACA coverage expired on Jan. 1. But Republicans are pressing forward with their probe of the Obamacare market — and putting heat on the entire health insurance industry.

State of play: House Judiciary Chair Jim Jordan (R-Ohio) issued subpoenas on Monday to get health insurers to send lawmakers more information on their subsidized ACA enrollees and discussions on subsidy-related fraud, the committee told Axios.

- Jordan issued subpoenas to Elevance, CVS, Centene, GuideWell, Oscar Health, Kaiser Permanente, Health Care Service Corporation and Blue Shield of California.
- The insurers must send the requested information to the House Judiciary Committee by Feb. 23, according to subpoenas viewed by Axios.

- CVS told Axios that it has received the letter and is cooperating. HCSC said it's committed to deterring fraud in the health system and works with officials on program integrity. Centene said it's providing information with the goal of fighting fraud and increasing access.
- Blue Shield of California said it's worked in good faith with the Judiciary Committee and already provided multiple responses, including data showing no evidence of phantom enrollees. The insurer continues to comply with the committee's request, it told Axios.

Jordan asked the insurers for documents and information in December after federal auditors showed they'd obtained subsidized coverage for almost two dozen individuals who didn't exist and identified other fraud risks in the system.

- Follow-up letters sent to the insurers Monday with the subpoenas indicate that each responded to the December inquiry, but none to Jordan's satisfaction.
- The Judiciary Committee is looking into whether legislative changes are needed to address ACA fraud, per the Monday letters.
- "The documents requested by the Committee will inform the House's consideration of these potential legislative reforms," they state.

Zoom in: The subpoenas ask for documents showing the number of enrollees at each organization receiving ACA subsidies and how much money it received from the subsidies between 2020 and 2025, according to documents viewed by Axios.

- They request information on enrollees with subsidies who did not utilize any benefits in a given year, as well as the total amount each insurer pays brokers and agents for work in ACA markets.
- They also demand information on how many employees work on subsidy-related fraud, communications with federal regulators on waste, fraud and abuse — as well as internal and external audits related to subsidy fraud.

Congress significantly expanded ACA premium subsidies to people making over 400% of the federal poverty level as a temporary relief measure during the COVID-19 pandemic.

- Those enhanced subsidies expired on Jan. 1, and Senate negotiators said the talks to reinstate them have collapsed, the Wall Street Journal reported last week. But premium assistance for people earning 100% to 400% of the poverty level remains in place this year.

Catch up quick: The subpoenas hit as insurers are increasingly under fire from critics in Congress and the Trump administration.

- President Trump's "Great Healthcare Plan," released last month, focuses on lowering premiums and increasing payer transparency to address health costs.
- Lawmakers recently grilled health insurance executives on the high costs of health coverage.
- Mike Tuffin, CEO of health insurance trade group AHIP, told Axios last month that Congress is within its rights to ask health insurers questions but that higher premiums reflect the underlying cost of medical care.
- Responding to the new subpoenas, AHIP spokesperson Chris Bond said that "health plans have long supported strong program integrity measures to protect taxpayers and consumers in the individual market."