

GAO Highlights

Highlights of [GAO-14-697](#), a report to congressional requesters

Why GAO Did This Study

PPACA makes significant changes in the way health insurance in the United States is provided, including changes to private health insurance coverage. GAO was asked to examine the resources that CCIIO used and expects to use in implementing the private health insurance provisions of PPACA. GAO's objective was to identify resources that CCIIO received, used, and expects to use from enactment of PPACA through fiscal year 2014, including certain categories of expenditures, the sources of funding, and the total number of staff, along with the number of staff reassigned from other units.

To perform this work GAO obtained the information requested and compared it to available supporting documentation, reviewed available related policies and procedures, and interviewed CMS officials.

What GAO Recommends

GAO recommends that CMS identify and evaluate options to facilitate reporting CCIIO-related financial management information that is independently verifiable in a timely manner, and develop and implement policies and procedures to document the preparation, review, and approval of information produced for nonroutine requests.

HHS did not concur with GAO's recommendations. In its view, CMS's existing procedures are adequate to respond to nonroutine information requests. However, as discussed in this report, GAO continues to believe that enhancements to CMS's procedures are needed and that the recommendations are valid.

View [GAO-14-697](#). For more information, contact Beryl H. Davis at (202) 512-2623 or davisbh@gao.gov.

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PATIENT PROTECTION AND AFFORDABLE CARE ACT

Procedures for Reporting Certain Financial Management Information Should Be Improved

What GAO Found

The Department of Health and Human Service's (HHS) Centers for Medicare and Medicaid Services (CMS) provided GAO with most of the requested data regarding financial resources that the Center for Consumer Information and Insurance Oversight (CCIIO) and other CMS offices received, used, and expect to use to implement the private health insurance and health insurance exchange provisions of the Patient Protection and Affordable Care Act (PPACA) for which CCIIO is responsible from its enactment in March 2010 through fiscal year 2014. However, CMS did not provide estimates of fiscal year 2014 obligations for certain categories of CCIIO-related transactions, such as advertising and other public relations activities. In addition, CMS provided data on CCIIO's staffing levels as of September 30, 2013, but did not provide complete staffing reassignment data.

GAO was unable to consistently verify the reliability of the data received from CMS. Specifically:

- GAO was able to determine the reliability of CMS's estimates for total obligations for fiscal year 2014, which was \$3.7 billion; the number of staff as of September 30, 2013, which was 347; and total salary expenditures from March 2010 through fiscal year 2013, which were \$79.8 million.
- GAO could not determine the reliability of any of the other financial information CMS provided because CMS's core financial system did not produce totals for much of the CCIIO-related information requested. For example, the system did not produce expenditure totals for CCIIO-related polling, focus groups, or advertising and other public relations activities because of how these activities are captured in the system. Similarly, information related to reassignment of staff to CCIIO from other CMS and HHS units was not readily available. Consequently, the staff reassignment information provided to GAO was not complete, was not supported by documentary evidence, and could not be verified.

GAO identified several issues that contributed to CMS's inability to provide complete information that is independently verifiable in a timely manner. First, CMS does not have an effective means of identifying CCIIO-related information. While CMS had policies and procedures for its standard financial operations, it did not have documented policies and procedures for responding to nonroutine information requests. Instead, CMS relied on ad hoc manual procedures that were labor intensive and time consuming. As a result, CMS required an extended period of time to provide most of the information GAO requested, in some cases taking several months. Second, CMS does not have documented procedures to ensure that data requests are reviewed and approved for accuracy. CMS officials told GAO that the information they provided had been subject to review and approval at several levels, including review by subject matter experts. However, these procedures were not documented. Consequently, GAO was not able to independently verify that they had been properly performed. Because CMS's processes are inconsistent with certain federal accounting and internal control standards, Congress and other decision makers may not have access to timely and reliable CCIIO-related information that they may need to make resource allocation decisions and assessments of program performance.