



Written by [Raven Clabough](#) on February 9, 2016

## **\$750 Million in ObamaCare Subsidies Paid to Illegal Immigrants**

With American taxpayers already disgruntled by the exorbitant costs of ObamaCare, a new report out of the U.S. Senate that reveals illegal immigrants received up to \$750 million in healthcare subsidies is sure to make waves.

Townhall.com recalls the moment in 2009 when President Obama promised that ObamaCare benefits would not be made available to illegal immigrants, bringing an outburst from Representative Joe Wilson (R-S.C.): “There are also those that claim our reform efforts would insure illegal immigrants. This too, is false. The reforms I am proposing do not apply to those who are here illegally,” Obama said. “You lie!” Congressman Wilson shouted out, a move that provoked significant backlash from members of Congress and eventually forced Wilson to issue a formal apology.

Six years later, Wilson is vindicated, and the American people are faced with yet another one of the president’s ObamaCare-related broken promises.

According to the Senate report by Republicans on the Senate Homeland Security and Governmental Affairs Committee, as of June 2015, “the Administration awarded approximately \$750 million in tax credits on behalf of individuals who were later determined to be ineligible because they failed to verify their citizenship, status as a national, or legal presence.”

Fox News reports that the healthcare law permits subsidy payments on a temporary basis when an applicant’s status is unclear, but funding is to be stopped if the recipient is unable to produce paperwork confirming his or her legal status. It is under this provision, which the Senate report dubs the “pay and chase” model, that tax credits went to over 500,000 illegal immigrants, or at least to those whose status remains unclear.

The Centers for Medicare and Medicaid Services (CMS) has confirmed to FoxNews.com that “471,000 customers with 2015 coverage failed to produce proper documentation on their citizenship or immigration status on time,” but argued that the lack of proper documentation does not necessarily mean the recipients were “ineligible.”

“Lack of verification does not mean an individual is ineligible for financial assistance, but only that a Marketplace did not receive sufficient information to verify eligibility in the time period outlined in the law,” CMS spokesman Aaron Albright said.





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This is by no means the first time that reports reveal a failure to verify eligibility for subsidies. In fact, the Obama administration announced in July 2014 that it would not be verifying subsidy eligibility information throughout 2014, and hoped to have a “permanent process” finished by late 2015. The final system was supposed to approve enrollment and payment data “on an enrollee-by-enrollee basis.”

And the consequences of a system that does not verify subsidy eligibility are outrageous losses of taxpayer dollars, as revealed in an audit by the HHS Office of Inspector General (OIG) last year that showed HHS could not account for \$2.8 billion in subsidies.

The OIG report reviewed subsidies paid to insurance companies between January and April of 2014 and found that the agency not only does not have an internal system to ensure that subsidies are being issued to the correct enrollees, but it does not know whether the amounts paid are correct. According to the report,

CMS’s internal controls did not effectively ensure the accuracy of nearly \$2.8 billion in aggregate financial assistance payments made to insurance companies under the Affordable Care Act during the first four months that these payments were made. CMS’s system of internal controls could not ensure that CMS made correct financial assistance payments.

Further findings revealed that CMS also did not have its own system for verifying information provided by health insurance companies. The Office of the Inspector General revealed that the government still did not have a complete system for approving subsidies distributed through ObamaCare.

“Without effective internal controls for ensuring that advance CSR [cost sharing reduction] payments are reconciled in a timely manner,” said the DHS Office of Inspector General, “a significant amount of Federal funds are at risk.”

Months later, an October 2015 report by the Government Accountability Office found that ObamaCare exchanges at the state and federal levels were still failing to verify key enrollment information such as Social Security numbers and citizenship.

Meanwhile, the latest Senate report is raising concerns regarding efforts by the IRS and Department of Health and Human Services (HHS) to recover the money.

“The information provided to the Committee by the IRS and HHS reveals a troubling lack of coordination between the two agencies ... and demonstrates that the IRS and HHS neglected to consider how they would recover these wasteful payments,” the report says.

Fox News reports that it is the role of the IRS to recover overpayments but that the IRS and HHS “initially failed to coordinate a plan” for recovering the funds. The Senate report states that the subsequent plan to do so is “ineffective and insufficient,” even after IRS Commissioner John Koskinen assured Congress in July that the IRS was “committed to identifying and efficiently addressing” improper payments.





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