

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON THE JUDICIARY

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February 9, 2026

Mr. Mike Stuart
President and Chief Executive Officer
Blue Shield of California
601 12th Street
Oakland, California 94607

Dear Mr. Stuart:

The Committee on the Judiciary is examining Obamacare subsidies fraud and the ability of current regulatory laws to address this fraud. Obamacare created government-run marketplaces and a subsidy system for individuals to purchase healthcare.¹ The subsidies, which are advanced premium tax credits (APTCs) paid directly from the federal government to insurance companies, cover an enrollee's premium above a percentage of their income.² This structure means that the government pays the health insurance companies more money each time the insurer increases premiums, but the consumer does not see this cost increase when choosing a plan.³ During the COVID-19 pandemic, the Biden-Harris Administration and the Democrat-led Congress temporarily expanded the amount of the Obamacare subsidies and then extended these enhanced subsidies in 2022.⁴ These enhanced subsidies have now expired and reverted back to the original Obamacare levels.⁵

On June 25, 2025, the Trump Administration issued the Marketplace Integrity and Affordability Rule (Rule), which would help limit Obamacare fraud, but a Biden-appointed judge issued a stay that blocked these fraud-protection measures.⁶ The court asserted that the Trump Administration had violated the Administrative Procedure Act (APA) when promulgating the Rule.⁷ That decision is currently on appeal.⁸ In light of this judge's interpretation of the APA at a minimum delaying the Rule's important fraud-protection measures, and considering the Government Accountability Office's recent report that found billions of dollars in unreconciled

¹ COMMITTEE FOR A RESPONSIBLE BUDGET, *Understanding the ACA Subsidy Discussion* (Nov. 5, 2025).

² *Id.*

³ *Id.*

⁴ American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 4 (2021); 2022 Inflation Reduction Act, Pub. L. No. 117-169, 136 Stat. 1818 (IRA).

⁵ *Id.*

⁶ *City of Columbus v. Kennedy*, 1:25-cv-02114-BAH (D. Md. Aug. 22, 2025).

⁷ *Id.*

⁸ Notice of Appeal, *City of Columbus v. Kennedy*, 1:25-cv-02114-BAH (Aug. 29, 2025).

Obamacare subsidies per year and examples of tens of thousands of Social Security Numbers subject to potential fraud,⁹ the Committee is investigating whether the APA needs to be reformed so as to ensure that important healthcare fraud prevention measures can be swiftly implemented and are not unreasonably burdened by administrative procedural requirements.

In a letter dated December 15, 2025, the Committee wrote to Blue Shield of California requesting that it produce documents and communications to the Committee to examine whether legislative reforms are necessary.¹⁰ The deadline to respond to the letter was December 29, 2025.¹¹ On December 22, 2025, Blue Shield of California provided initial data in response to requests 1, 2, and 3 from the Committee's letter.¹² On February 3, 2026, Blue Shield of California provided a second response, partially responding to requests 4 and 5, and claimed it had no responsive documents for requests 7, 8, 9, and 10 based on its review.¹³ Blue Shield of California has not yet indicated how or when it will fully comply with the Committee's requests.

The Supreme Court has recognized that Congress has "broad and indispensable" power to conduct oversight, which "encompasses inquiries into the administration of existing laws, studies of proposed laws, and surveys in our social, economic or political system for the purpose of enabling Congress to remedy them."¹⁴ Pursuant to the Rules of the House of Representatives, the Committee has jurisdiction to conduct oversight of matters concerning "[a]dministrative practice and procedure" to inform potential legislative reforms, such as, in this case, whether reforms are needed to the APA to allow for effective implementation of regulations that address Obamacare fraud.¹⁵ The documents requested by the Committee will inform the House's consideration of these potential legislative reforms.

Accordingly, the Committee is issuing compulsory process to obtain documents and material needed to fulfill its oversight and legislative obligations. Please find the enclosed subpoena compelling production of the requested documents by February 23, 2026.

⁹ GAO, Patient Protection and Affordable Care Act: Preliminary Results from Ongoing Review Suggest Fraud Risks in the Advance Premium Tax Credit Persist, GAO 108742 (Dec. 2, 2025).

¹⁰ Letter from Rep. Jim Jordan, Chairman, H. Comm. on the Judiciary, Rep. Scott Fitzgerald, Chairman, H. Subcomm. on the Admin. State, Regul. Reform, and Antitrust, Rep. Jeff Van Drew, Chairman, H. Subcomm. on Oversight, to Mike Stuart, President & CEO, Blue Shield of California (Dec. 15, 2025) (on file with the Committee).

¹¹ *Id.*

¹² Email from Andy Chasin, Vice President, Federal Policy and Advocacy, Blue Shield of California, to Committee Staff (Dec. 22, 2025) (on file with the Committee).

¹³ Email from Andy Chasin, Vice President, Federal Policy and Advocacy, Blue Shield of California, to Committee Staff (Feb. 3, 2026) (on file with the Committee).

¹⁴ See e.g., *Trump v. Mazars LLP*, 591 U.S. 848, 862 (2020).

¹⁵ See generally Rules of the House of Representatives, 119th Cong., R. X (2025); *City of Columbus v. Kennedy*, 1:25-cv-02114-BAH (D. Md. Aug. 22, 2025).

The Committee appreciates your compliance with our subpoena.

Sincerely,



Jim Jordan
Chairman



Scott Fitzgerald
Chairman
Subcommittee on the Administrative
State, Regulatory Reform, and
Antitrust



Jeff Van Drew
Chairman
Subcommittee on Oversight

cc: The Honorable Jamie Raskin, Ranking Member

The Honorable Jerrold L. Nadler, Ranking Member, Subcommittee on the Administrative
State, Regulatory Reform, and Antitrust

The Honorable Jasmine Crockett, Ranking Member, Subcommittee on Oversight

Enclosure