February 26, 2018

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201  

The Honorable Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244  

Dear Secretary Azar and Administrator Verma:  

At a time when creating and maintaining good jobs is a shared priority, we urge the Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS) to ensure that its contractors are in compliance with the law and request an explanation of how HHS and CMS engage in evaluations of bidders in addition to ensuring compliance of existing contractors.  

As you know, contractors and their employees provide critical services and have become essential to the operations of federal departments and agencies. CMS for example contracts out its Contact Center Operations (CCO) services, which handles approximately 25 million Medicare inquiries and 30 million Federal Marketplace inquiries annually. The agents at its CCO are vital to CMS’s operations and serve as a primary point of contact for Medicare beneficiaries and Federal Marketplace customers.  

We urge HHS and CMS to be vigilant in evaluating and monitoring its contractors for adherence to labor laws such as the Service Contract Act, which sets prevailing wages for federally contracted service employees. Contractors that underpay or misclassify employees not only have an unfair advantage over responsible contractors—they erode working conditions in their respective industries and depress living standards for working families and their communities.  

Contractors who violate the law put responsible companies at a disadvantage, erode industry standards, depress wages locally, harm working families and their communities, and undermine the quality of services that federal agencies provide. For these reasons, we call on HHS and CMS to take an active approach to ensuring that its contractors are obeying the law and treating their employees fairly.
Thank you for your attention to this critical matter and we look forward to hearing from you.

Sincerely,

Rosa L. DeLAuro
ROSA L. DELAURO
Member of Congress

Robert A. Brady
ROBERT A. BRADY
Member of Congress

André Carson
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Katherine Clark
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