

Health Insurance Exchanges Impact Patient Enrollment

As of April 19, 2014, over 8 million individuals have purchased health insurance through the federal and state-level Health Insurance Marketplace (Marketplace).¹ While the 2014 enrollment period closed three months ago, and the 2015 enrollment period is five months away (November 15, 2014)², a comprehensive outlook on the implementation of the Marketplace has not yet been reported.

Throughout the 2014 enrollment period, academics, journalists, and government agencies have reported on the experiences of the various stakeholders of the Marketplace individually, but not in aggregate. These stakeholders include employers; health service providers; insurance carriers; and, state and federal government offices. These stakeholders contribute to the overall success of the Marketplace or are impacted by how the Marketplace operates. The most publicly discussed stakeholder experiences are the state and federal government offices, which are involved with the online insurance purchasing interface. The implementation of the Marketplace by the federal and state government offices throughout the 2014 enrollment period sheds light on the operational challenges faced by the government, and provides perspective on the modifications made in advance of the upcoming 2015 enrollment period.

Online platforms initiated by state and federal governments share common challenge-technical difficulties. The *Patient Protection and Affordable Care Act* (ACA), signed into law on March 23, 2010, provided funds to states that choose to operate their own marketplace for their citizens.³ Nineteen states, including Utah, which chose to provide a state-run Marketplace for only small businesses and their employees, elected this route for the initial 2014 enrollment period.⁴ Numerous states experienced technical glitches and other operational difficulties with the health exchange sites, including Washington and Oregon.⁵ Consumers in Washington believed they had secured an insurance plan, but the premiums they paid through the Marketplace did not reach their insurance companies, causing the companies to reject insurance claims.⁶ The Oregon state government hired a software corporation, Oracle, to operate CoverOregon (the state's Marketplace). On October 1, 2013, the opening day of the 2014 enrollment period, CoverOregon failed to launch.⁷ Governor John Kitzhaber has requested Attorney General Ellen Rosenblum take legal action against Oracle.⁸ Oracle claims it provided repeated warnings the CoverOregon website was not ready for an October 2013 launch.⁹

Similar to the state-run Marketplace, the Marketplace run by the federal government also experienced technical difficulties. For example, some consumers in Wisconsin purchased insurance plans with misrepresented deductibles, while others purchased insurance plans not available in their county of residence.¹⁰ For individuals who qualified for Medicaid during the 2014 enrollment period, applications are still processing.¹¹ States are currently unable to process information retrieved from the

federal Marketplace, and are consequently turning to traditional processing procedures such as entering the information by hand.¹²

The various experiences noted by the federal and state government agencies regarding the initial launch of the interactive consumer insurance Marketplace may serve to improve the functionality of the Marketplace in advance of the 2015 enrollment period. The forthcoming installments of this four-part series will explore the Marketplace from the perspective of insurance carriers, health service providers, and employers.

- 1 "Health Insurance Marketplace: Summary Enrollment Report for the Initial Annual Open Enrollment Period" Office of the Assistant Secretary for Planning and Evaluation of Department of Health and Human Services, ASPE Issue Brief (May 1, 2014), p.1, Accessed at http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/ib_2014apr_enrollment.pdf (Accessed 6/6/14).
- 2 "Important Health Insurance dates," By U.S. Centers for Medicare and Medicaid Services, Accessed at <https://www.healthcare.gov/what-key-dates-do-i-need-to-know/> (Accessed June 11, 2014).
- 3 "The Patient Protection and Affordable Care Act" Vol 42 USC 18031 (March 10, 2010).
- 4 "State Health Insurance Exchange: State Run Exchanges," ObamaCare Facts, Accessed at <http://obamacarefacts.com/state-health-insurance-exchange.php> (Accessed 6/6/14).
- 5 "Some paid up but aren't insured: 'glitches' in state health exchange," By Carol M. Ostrom, The Seattle News, (May 10, 2014), Accessed at http://seattletimes.com/html/localnews/2023580514_insurancesystemdefectxml.html (Accessed 6/6/14); "Oregon governor seeks lawsuit over health exchange," By Associated Press, Modern Healthcare, (May 29, 2014), Accessed at <http://www.modernhealthcare.com/article/20140529/INFO/305299976/oregon-governor--seeks-lawsuit-over-health-exchange> (Accessed 6/5/14).
- 6 *Ibid*, Press, May 29, 2014.
- 7 "Anatomy of a fiasco: How Cover Oregon went awry," By Associated Press, KOMO News, (December 21, 2013), Accessed at <http://www.komonews.com/news/local/Anatomy-of-a-fiasco-How-Cover-Oregon-went-awry-236877091.html> (Accessed 6/9/14)
- 8 Notification of Legal Action Request, By John A. Kitzhaber, To The Honorable Daniel R. Levinson Inspector General U.S. Department of Health and Human Services, May 29, 2014.
- 9 *Ibid*, Press, May 29, 2014.
- 10 "Problems still plague online federal health insurance marketplace," By Guy Boulton and Jason Stein, Journal Sentinel, (March 15, 2014), Accessed at <http://www.jsonline.com/news/health/problems-still-plague-online-federal-health-insurance-marketplace-b99225553z1-250420481.html> (Accessed 6/6/14).
- 11 "State Medicaid Programs Struggle to Process Applications from Federal Marketplace," By Steve Teske, Health Care Policy Blog of Bloomberg BNA, (May 28, 2014), Accessed at <http://www.bna.com/state-medicaid-programs-b17179890825/> (Accessed 6/6/14).
- 12 *Ibid*.



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