

Increasing Challenges for Health Exchange Enrollment

On October 1, 2013, enrollment for federal and state Health Exchanges under the Affordable Care Act (ACA) officially opened. On enrollment opening day, the federal healthcare.gov site recorded an influx of 2.8 million visitors, although technical problems and issues related to the volume of visits to the website caused problems for most of the morning. New York alone saw 2.5 million visitors to the state exchange.¹

It was recently reported by a Gallup poll that the number of uninsured Americans reached an all-time high of 18% in the third quarter of 2013 since the poll began tracking rates of uninsured in 2008. The majority of uninsured fall into the 18-25 year old bracket (25.0% uninsured).² The Obama administration reportedly is aiming to reach 7 million beneficiaries to receive coverage through the exchanges during the open enrollment period from October 1, 2013, through March 2014.³ Another recent poll by Gallup found that approximately 2 out of 3 uninsured Americans are planning to get healthcare insurance by January 1, 2014, in order to avoid being fined. The poll also found that while only 66% of uninsured respondents planned to get insurance through a federal or state-funded exchange, the relatively low level of respondent familiarity with health exchanges likely contributed to that statistic and is expected to rise in the coming months during the enrollment period.⁴

However, the technical difficulties plaguing the healthcare.gov website on the first day of enrollment, in addition to obstructive actions by some states could threaten the success of the Exchanges. On Tuesday, October 29, 2013, and Wednesday, October 30, 2013, Centers for Medicare and Medicaid Services Administrator Marilyn Tavenner and Health and Human Services Secretary Kathleen Sebelius were called to testify before House committees regarding the website's technological difficulties.⁵ Tavenner assured lawmakers that *"healthcare.gov can and will be fixed and we are working around the clock..."*⁶ A recent New York Times article highlighted the efforts of some state leaders, such as those in Florida; Missouri; and, Ohio, to undercut Exchanges by complicating enrollment efforts and limiting information to residents about Exchange enrollment.⁷ In particular, Florida recently passed Senate Bill 1842 restricting the state insurance commissioner from approving any insurance rates for

new health plans in 2014 and 2015, effectively relegating responsibility of Exchanges in Florida solely to the federal government and potentially exposing Florida residents to higher insurance premiums in coming years.⁸ Most recently, the state instructed county health facilities to ban outreach counselors from its facilities.⁹ In addition to state efforts to obstruct enrollment in Exchanges, the recent government shutdown resulted in furloughing 40,512 (approximately 52%) of the Department of Health and Human Services (HHS) workforce,¹⁰ though the shutdown

A recent study comparing three health exchange markets for consumers suggested that the success of various state Exchanges will differ based on the choices given to consumers; how the exchange is organized, e.g., as an active purchaser or clearinghouse, etc.; how they reduce consumers' premiums; and how successfully they respond to accrediting agency and other stakeholder feedback to improve and sustain enrollment numbers.¹¹ In other news for employers, while the benefits of the federal exchanges may be an improvement in total employee benefits payments when compared to private health exchanges, the predicted advantages are yet unclear and likely vary by employer, depending on employee expectations and available insurance options.¹² Although Exchanges are facing multiple challenges to success early in the enrollment period, it remains to be seen how government efforts to overcome these roadblocks will manifest themselves in the form of overall enrollment numbers.

¹ "Obamacare' Demand Signals Potential Success for Exchanges", by Alex Nussbaum, Accounting Today, October 2, 2013, <http://www.accountingtoday.com/news/Obamacare-Demand-Si> (Accessed October 27, 2013)

² "U.S. Uninsured Rate Rises Before Health Exchanges Open", by Lindsey Sharpe, Gallup Inc., October 25, 2013, <http://www.gallup.com/poll/165557/uninsured-rate-peaks-health-exchanges-open.aspx> (Accessed October 27, 2013)

³ *Ibid*, by Alex Nussbaum, October 2, 2013

⁴ "Two in Three Uninsured Americans Plan to Buy Insurance", by Frank Newport and Kiley McGeeney, Gallup Inc., September 30, 2013, <http://www.gallup.com/poll/164696/two-three-uninsured-americans-plan-buy-insurance.aspx> (Accessed October 27, 2013)

⁵ "Health Site puts Agency and Leader in Hot Seat", by Sheryl Gay Stolberg, The New York Times, October 28, 2013, http://www.nytimes.com/2013/10/29/us/politics/health-site-puts-agency-and-leader-in-hot-seat.html?emc=edit_tnt_20131028&intemail0=y&r=0

⁶ Tavenner pledges HealthCare.gov will be fixed in a month”, by Jessica Zigmond, Modern Healthcare, October 29, 2013, <http://www.modernhealthcare.com/article/20131029/NEWS/310299950> (Accessed October 31, 2013)

⁷ “Florida Among States Undercutting Health Care Enrollment”, by Lizette Alvarez and Robert Pear, The New York Times, September 17, 2013, <http://www.nytimes.com/2013/09/18/us/florida-among-states-undercutting-health-care-enrollment.html?pagewanted=all> (Accessed October 27, 2013)

⁸ “The Florida Senate 2013 Summary of Legislation Passed: CS/SB 1842 – Health Insurance”, by Appropriations Committee and Banking and Insurance Committee, 2013, p. 1; “Rick Scott Letter to Secretary Kenneth W. Detzner re: signing into Law SB 1842, May 31, 2013, p. 1-2

⁹ *Ibid*, by Lizette Alvarez and Robert Pear, September 17, 2013

¹⁰ “Contingency Staffing Plan for Operation in the Absence of Enacted Annual Appropriations”, by Department of Health and Human Services, 2013, p. 1, 11

¹¹ “Examples of How Health Insurance Exchanges Can Create Greater Value for Consumers: Lessons from Three Other Marketplaces”, by Lieberthal et al., 2013, Health Management, Policy and Innovation, Vol. 1, No. 4, p. 6-8

¹² “Private Health Insurance Exchanges”, by Mark V. Pauly and Scott E. Harrington, Health Management, Policy and Innovation, 2013, Vol. 1, No. 4, p. 8-9



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