



ObamaCare Summertime Sadness

In States With Troubled ObamaCare Exchanges, Bad News Continues To Pile Up For Democrats

IN COLORADO, THE STATE'S OBAMACARE EXCHANGE IS STILL "SHOCKINGLY BAD"

A Review Of The Connect For Health Colorado Website Found That It Was "Shockingly Bad" And Deserved "Public Scrutiny." "Over the weekend, I got an inside look at the state's official website designed to connect Coloradans with health insurance plans. It wasn't pretty ... I do see it as my job to make sure that government services run effectively. The experience provided by this website was so shockingly bad that I felt the website needed public scrutiny and a detailed breakdown of the many failings of its design." (Brandon Rittiman, "Colorado Health Exchange Site Needs Surgery," 9News.com, 7/2/14)

- **9News Headline: "Colorado Health Exchange Site Needs Surgery"** (Brandon Rittiman, "Colorado Health Exchange Site Needs Surgery," 9News.com, 7/2/14)

Nearly A Year After Launching, Connect For Health Colorado's Sign In Button Still Does Not Work And "Some Very Basic Problems Remain." "Nearly a year after launching, some very basic problems remain that are bound to frustrate customers. Among the problems that will be examined in detail in our review: The "sign in" button on the home page still doesn't work." (Brandon Rittiman, "Colorado Health Exchange Site Needs Surgery," 9News.com, 7/2/14)

- **9News' Mark Koebrich: "If You Are An Existing Customer, There's No Place For You To Sign In. It's Crazy. ... For \$179 Million, It Should Be Easier To Navigate."** ANCHOR: "I watched Brandon click through it. And, if you are an existing customer, there's no place for you to sign in. It's crazy. You have to go six different places. ... For \$179 million, it should be easier to navigate. It's no small thing." ([9News](http://9News.com), 7/2/14)

The Review Also Notes That The Website's "Navigation Is Cumbersome And Clunky, Making The Experience Frustrating," And "Incomplete Information Is Presented At Multiple Points." "Users must go through a six-click workaround process to log back in to their accounts; Navigation is cumbersome and clunky, making the experience frustrating; Incomplete information is presented at multiple points in the process of signing up, causing needless anxiety." (Brandon Rittiman, "Colorado Health Exchange Site Needs Surgery," 9News.com, 7/2/14)

- **9News On Colorado's ObamaCare Exchange: "Clunky, Counterintuitive And Confusing."** ANCHOR: "Clunky, counterintuitive and confusing. That's the review of the website for Colorado state health care exchange written by 9News political reporter Brandon Rittiman. Brandon managed to get a plan he and his family was happy with from Connect for Health Colorado. But he

argues that happened despite the state's website. For starts, the sign in button on the front page doesn't work." ([9News](#), 7/2/14)

But Don't Ask John Hickenlooper And Mark Udall To Fix The Problem – They Both Touted Colorado's ObamaCare Performance

Gov. John Hickenlooper (D-CO) Praised The New Health Insurance Exchanges Under ObamaCare. "Hickenlooper also praised the state's new health insurance exchanges under the Affordable Care Act, a comment that drew applause and a standing ovation from Democrats, but silence from Republicans." (Lynn Bartels, "Gov. Hickenlooper's State Of The State: "Colorado Does Not Shut Down," [The Denver Post](#), 1/9/14)

- **Hickenlooper: "Colorado Has Outperformed The National Exchange And Most States."** "In that vein, the General Assembly, with bipartisan support, created Connect for Health Colorado. While other states have struggled with enrollment and implementation, Colorado has outperformed the national exchange and most states. More than 139,000 residents now have health insurance who didn't have it before." (Gov. John Hickenlooper, [Remarks On The State Of The State](#), Denver, CO, 1/9/14)

On Sen. Mark Udall's (D-CO) Website, He Touted The State's ObamaCare Exchange, Saying That The System "Is Pure Colorado Common Sense" For Coloradans. "This new marketplace, Connect for Health Colorado, provides a one-stop shop for individuals and small businesses to compare over 250 plans from 16 insurance carriers and pool their purchasing power. And with more options for purchasing health coverage, Coloradans have greater freedom to switch jobs or start a new business while being able to find affordable health insurance for their families. This is pure Colorado common sense." ([Sen. Mark Udall](#), Accessed 6/9/14)

IN OREGON, TAXPAYERS ARE STUCK WITH YET ANOTHER BILL DUE TO OBAMACARE'S STRUGGLES

Gov. John Kitzhaber's (D-OR) Health Authority Will Pay A Consulting Firm Up To \$18.4 Million To Oversee Cover Oregon's Switch To The Federal Exchange. "Oregon has hired a tech firm to help transfer the botched Cover Oregon health insurance exchange to the federal exchange website and finish building the state's Medicaid system. The Oregon Health Authority will pay Deloitte Consulting, LLC up to \$18.4 million to be the systems integrator that oversees the transition." ("Cover Oregon Now In Hands Of Company That Botched California EDD Upgrade," [The Associated Press](#), 7/1/14)

- **Initial Estimates Suggested The Switch To The Federal Exchange Would Cost Oregon \$4 Million To \$6 Million.** "A consultant's analysis for Cover Oregon recently concluded that it would cost \$4 million to \$6 million to move into the federal insurance marketplace, a fraction of the expense of refurbishing the exchange's existing technology." (Amy Goldstein, "Obama Administration Prepares To Take Over Oregon's Broken Health Insurance Exchange," [The Washington Post](#), 4/24/14)

In May, Oregon Paid \$2.98 Million For An Analysis Of Switching The Exchange. "But the latest \$2.98 million contract, approved Thursday by the Cover Oregon board of directors, represents the state's first concrete step toward a downsized future with the federal health insurance exchange. Cover Oregon hired Deloitte Consulting to develop a roadmap for Oregon's move away from its own disastrous exchange to the federal alternative." (Jeff Manning, "Cover Oregon: Hires Deloitte For \$2.98 Million To Plot Federal Exchange Transition," [The Oregonian](#), 5/8/14)

Cover Oregon Continues To Rack Up A Large Tab On The Taxpayers' Dime

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Employees At The Failed Cover Oregon Exchange Will Receive \$650,000 In Bonuses. “Workers at the failed Cover Oregon health care exchange will receive bonuses to keep them on the job as a transition is made to the federal Affordable Care Act ... There are 163 remaining employees and 38 workers will get bonuses of one to three months of pay. ed. Most all will get at least a bonus of two weeks pay if they stick around until next spring.” (Jeff Manning, “Cover Oregon: Retention Bonuses Offered To Employees Who Stick Around,” [The Oregonian](#), 6/24/14)

- “[Interim Cover Oregon CEO Clyde] Hamstreet Pointed Out The Bonuses Won't Cost More Than \$650,000 Total, A Paltry Sum In The World Of Cover Oregon.” (Jeff Manning, “Cover Oregon: Retention Bonuses Offered To Employees Who Stick Around,” [The Oregonian](#), 6/24/14)

Cover Oregon Has Spent Nearly \$250 Million In Federal Grant Money To Produce A Failed Exchange. “Cover Oregon and its partner state agency, the Oregon Health Authority, spent upwards to \$250 million and never produced a fully functional website. The debacle led to intense media scrutiny and withering criticism.” (Jeff Manning, “Cover Oregon: Retention Bonuses Offered To Employees Who Stick Around,” [The Oregonian](#), 6/24/14)

- **Oregon Received A Total Of \$305 Million In Grants To Build Its ObamaCare Exchange.** “The federal government has issued a total of \$305 million in grants to Oregon to perform feasibility studies as well as to build, test and operate the exchange. An unknown fraction of those grants have been spent.” (Dan Mangan, “Congressmen Want Probe Of Oregon's Obamacare Exchange,” [CNBC](#), 2/13/14)

Cover Oregon's Ongoing Failures Are Putting John Kitzhaber And Jeff Merkley In A Bind

Kitzhaber's “Re-Election Campaign In Trouble” Due To Cover Oregon's Failure. “Oregon Governor John Kitzhaber, an emergency-room doctor who for years championed greater access to health care, finds his re-election campaign in trouble after his administration blew the state's adoption of Obamacare. Technical flaws in the Cover Oregon website, the portal to a \$305 million state-run insurance exchange, caused thousands of consumers to file paper applications until the state gave up last month and directed enrollees to a federal program. While President Barack Obama's Patient Protection and Affordable Care Act is gaining momentum nationwide with about 8 million people signing on, Kitzhaber faces the blame for mishandling his state's rollout.” (Allison Vekshin, “Doctor-Governor Kitzhaber Trips on Oregon Exchange Fiasco,” [Bloomberg](#), 5/19/14)

- **FLASHBACK: Kitzhaber: “It's Very, Very Important For The State Of Oregon To Design, Implement And Operate A Health Insurance Exchange, Rather Than Default To The Federal Government.”** KITZHABER: “I just want to say that we've all felt from the beginning that it's very, very important for the state of Oregon to design, implement and operate a health insurance exchange, rather than default to the federal government.” (Gov. John Kitzhaber, [Remarks](#), 3/8/12)
- **A Majority Of Voters Believe Kitzhaber Is “Personally To Blame” For The Failures Of Cover Oregon.** “Gov. John Kitzhaber has said the failure of Cover Oregon could harm his chances of re-election in November, and an exclusive KATU/SurveyUSA poll shows there might be some truth to that ... But here's something to watch. A majority of voters think Kitzhaber is personally to blame for Cover Oregon's failure. Twenty percent said he's to blame for all of Cover Oregon's problems, 19 percent said he's to blame for most of the problems and 37 percent said he's to blame for some of the health exchange's problems. Only 19 percent said he deserves none of the blame.” (Hillary Lake, “Exclusive Poll: Majority Holds Kitzhaber Accountable For Cover Oregon Failure,” [KATU](#), 6/11/14)

In 2011, Sen. Jeff Merkley (D-OR) Claimed That Once Cover Oregon Was Completed It Would “Provide A Template For Other States To Follow.” “Oregon has a reputation for innovation in health care. This grant is a vote of confidence in our state's leadership in developing the health information technology backbone needed to operate the exchange,” Merkley said. “When completed, the exchange will

help Oregonians compare private health insurance plans and enroll in the plan that best fits their situation as well as provide a template for other states to follow.” (Sen. Jeff Merkley, “Merkley, Wyden Announce \$48 Million To Help Oregonians Purchase Health Insurance Through Online Exchange,” [Press Release](#), 2/17/11)

- **Merkley Was The Deciding Vote For ObamaCare In The Senate.** (H.R. 3590, [Roll Call Vote #396](#), Adopted 60-39: R 0-39; D 60-0, 12/24/09, Merkley Voted Yea)
- **Facing Reelection, Merkley Is Now Trying To Distance Himself From The ObamaCare Rollout.** “It’s not just red-state Democrats, like Louisiana Sen. Mary Landrieu, distancing themselves from the law. It’s blue-state senators like Oregon’s Jeff Merkley and New Hampshire’s Jeanne Shaheen -- and top blue-state recruits like Michigan’s Gary Peters and Iowa’s Bruce Braley, who voted for GOP legislation Friday that the White House said would ‘gut’ the law.” (Josh Kraushaar, “Why ObamaCare Is On Life Support,” [National Journal](#), 11/18/13)

IN MASSACHUSETTS, THE STATE IS SPENDING MILLIONS TO FIX ITS PROBLEM-PLAGUED EXCHANGE

Massachusetts Is Paying An Additional \$35 Million To Sever Ties With CGI, Which “Created Its Problematic Health Insurance Exchange Website.” “The Massachusetts Health Connector will pay another \$35 million to CGI, the company that created its problematic health insurance exchange website, as part of an agreement allowing the state to sever ties with CGI.” (Shira Schoenberg, “Massachusetts Health Connector To Pay \$35 Million To Sever Ties With Technology Vendor CGI Over Failed Website,” [The Springfield Republican](#), 6/20/14)

- **The \$35 Million Payment Is On Top Of The \$17 Million That Massachusetts Has Paid CGI To Date.** “The state’s original contract with CGI was for \$89 million with payments due as parts of the project were completed. Until now, the state had paid just \$17 million. The agreement signed Friday will cost the state another \$35 million.” (Shira Schoenberg, “Massachusetts Health Connector To Pay \$35 Million To Sever Ties With Technology Vendor CGI Over Failed Website,” [The Springfield Republican](#), 6/20/14)

After Receiving \$174 Million In Federal Grants To Develop Their Exchange, Massachusetts Still “Does Not Have A Full Analysis Of The Final Cost.” “The federal government originally gave Massachusetts a \$174 million grant to develop the new health insurance system. Given the technological problems, the state does not yet have a full analysis of the final cost.” (Shira Schoenberg, “Massachusetts Health Connector To Pay \$35 Million To Sever Ties With Technology Vendor CGI Over Failed Website,” [The Springfield Republican](#), 6/20/14)

State Officials Have Estimated The Cost Of A “Dual-Track” Plan Currently Underway To Fix Massachusetts’ Exchange Problems At \$120 Million. “The Health Connector is current employing the technology company Optum to pursue two separate tracks to get a working site. It is customizing off-the-shelf software called hCentive, and it is also looking at joining the federal health exchange website if it cannot get hCentive working in time. Cohen said Friday that the state appears to be ‘on track’ to get the hCentive software up and running by the open enrollment period. State officials have estimated the cost of the ‘dual-track’ plan at \$120 million.” (Shira Schoenberg, “Massachusetts Health Connector To Pay \$35 Million To Sever Ties With Technology Vendor CGI Over Failed Website,” [The Springfield Republican](#), 6/20/14)

IN WASHINGTON, THE EXCHANGE IS STRUGGLING TO BALANCE ITS BOOKS

Health Care Officials In Washington Estimate That They Will Need “At Least \$53 Million Next Year To Keep The Exchange Running.” “Officials with the state’s health insurance marketplace estimate that they will need at least \$53 million next year to keep the exchange running.” (Lisa Stiffler, “Costs To Run State Health Exchange To Exceed Tax Revenue,” [The Seattle Times](#), 7/2/14)

- **The State Legislature Allocated \$40 Million For The Exchanges, Far Less Than The \$127 Million Health Care Officials Were Originally Asking For.** “That amount is more than the \$40 million that has been allocated by the state Legislature, but far less than the \$127 million the insurance exchange expects to spend this year. Officials with Washington Health Benefit Exchange, which operates the marketplace, presented their first crack at a budget at a meeting before their board in SeaTac on Thursday.” (Lisa Stiffler, “Costs To Run State Health Exchange To Exceed Tax Revenue,” [The Seattle Times](#), 7/2/14)

“The \$40 Million Is Expected To Come Primarily From A 2 Percent Tax Levied On Insurance Premiums.” “Where the money will come from — whatever the amount — is unclear. The exchange is supposed to be self-sustaining by Jan. 1 of next year. The exchange is supposed to be self-sustaining by Jan. 1 of next year. The \$40 million is expected to come primarily from a 2 percent tax levied on insurance premiums. Beginning this year, proceeds from that tax as assessed on plans sold through the Washington Healthplanfinder will go toward operating the exchange. If the tax doesn’t raise sufficient funds, the exchange can also assess a fee on insurers selling plans through the exchange beginning next year to make up the difference.” (Lisa Stiffler, “Costs To Run State Health Exchange To Exceed Tax Revenue,” [The Seattle Times](#), 7/2/14)

- **The State Expects To Pay \$250 Million From 2011 Through 2014 On The Exchange.** “The exchange was created under the federal Affordable Care Act and the expenses for setting up, running and promoting the marketplace so far have been covered by federal dollars. From 2011 through 2014, the state expects to spend close to \$250 million on the effort.” (Lisa Stiffler, “Costs To Run State Health Exchange To Exceed Tax Revenue,” [The Seattle Times](#), 7/2/14)