



State-Based ObamaCare Breakdowns

Facing Audits And Website Bungles, ObamaCare's State-Based Exchanges In 2014 States Have Yet To Get it Together

State-Based ObamaCare Exchanges In Democrat-Led States Have Become "The Biggest Laggards" In Enrolling People In A Health Plan. "With the federal online insurance exchange running more smoothly than ever, the biggest laggards in fixing enrollment problems are now state-run exchanges in several states where the governors and legislative leaders have been among the strongest supporters of President Obama's health care law." (Abby Goodnough, "Glitches In State Exchanges Give G.O.P. A Cudgel," [The New York Times](#), 2/2/14)

The State Exchanges Have Performed So Poorly, That The Obama Administration Has Had To Bail Them Out By Changing The Law

Last Month, The Obama Administration Announced An ObamaCare Bailout For States That Have Had ObamaCare Website Problems. "Now, in states that have experienced technical problems with their ObamaCare websites, some consumers can get tax credits for purchasing insurance on the individual market, even outside of the ObamaCare marketplace." ("ObamaCare Rule Eased For States With Website Troubles," [CBS News](#), 2/28/14)

- **The Fix Will Benefit Democratic-Led States Such As Oregon, Maryland, Massachusetts And Hawaii.** "The administration quietly issued the health law fix Thursday to help those states. Several Democratic-led states, including Oregon, Maryland, Massachusetts and Hawaii, are still trying to solve website problems that have eclipsed those experienced earlier by the federal HealthCare.gov site, now largely repaired." ("ObamaCare Rule Eased For States With Website Troubles," [CBS News](#), 2/28/14)

The New Fix Will Allow ObamaCare Shoppers That Sought Health Coverage Outside The Exchange To Qualify For ObamaCare Subsidies. "HHS said state residents who were unable to sign up because of technical problems may still get federal tax credits if they bought private insurance outside of the new online insurance exchanges." ("ObamaCare Rule Eased For States With Website Troubles," [CBS News](#), 2/28/14)

The Worst Performing State-Based ObamaCare Exchanges Will Be Audited

State-Based Exchanges Are Facing An Audit By The Government Accountability Office With The Inspector General Of Health And Human Services Focusing Its Attention On The Exchanges In Oregon, Maryland, Massachusetts And Hawaii. "The probe by the inspector general's office of the U.S. Health and Human Services Department was disclosed just days after the Government Accountability

Office said it would conduct an audit of state-run ObamaCare marketplaces, several of which have had serious technical problems despite receiving hundreds of millions of dollars in federal grants. In addition to Maryland, those exchanges include ones in Oregon, Hawaii and Massachusetts.” (Dan Mangan, “Feds Probe Maryland’s Disastrous ObamaCare Marketplace,” [CNBC](#), 3/10/14)

AFTER TAKING \$305 MILLION IN TAXPAYER MONEY, OREGON LAYS CLAIM TO THE WORST OBAMACARE EXCHANGE IN THE COUNTRY

The Chief Information Officer Of Cover Oregon Recently Announced That The State’s ObamaCare Website Will Not Go Live To The Public Until After The Enrollment Deadline. “Cover Oregon’s chief information officer told the board Thursday that the online individual marketplace will not be rolled out to the public this month. The portal, which allows end-to-end enrollment through the website in one sitting, was released to agents and community partners last month. The hope was that IT vendor Oracle could get it strong and stable enough to release it to the public before open enrollment is over on March 31. But Aaron Karjala told board members Thursday that Cover Oregon has decided not to allow access to the general public, meaning individuals will have to continue using the hybrid manual-automated process to apply for and enroll in health coverage.” (Saerom Yoo, “Cover Oregon Website Won’t Go Public Before Open Enrollment Slated To End,” *The Associated Press*, 3/14/14)

- **Oregon Received \$305 Million 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)

An Earlier Report Conducted By The Centers For Medicare And Medicaid Services Found That Cover Oregon Was Rife With Issues Such As Failing To Hold Contractors Accountable And Poor Project Oversight. “The report, which officials for the state and the exchange have never mentioned publicly, blasts Oracle for lousy work and the exchange for its equally subpar management. Because of the nebulous terms of Cover Oregon’s contract with Oracle, it has little ability to hold the IT giant accountable and oftentimes doesn’t know what its contractor is doing, the report said. It also endorses the state’s efforts to dump Oracle, saying ‘it is highly recommended to further identify a more appropriate’ IT vendor.” (Jeff Manning, “Cover Oregon: Feds Blast State Health Insurance Exchange And Lead Contractor, Oracle,” [The Oregonian](#), 3/13/14)

MARYLAND ISN’T FAR BEHIND WITH A WEBSITE STILL SUFFERING FROM GLITCHES AND DEFECTS

Maryland’s ObamaCare Exchange Website Has Been Plagued By Glitches Since The Website’s Launch On October 1. “Maryland’s \$107 million online insurance marketplace crashed on its launch Oct. 1, and problems continued into this week with Monday’s hours-long shutdown. Plagued by technical problems and feuding contractors, the website still has not delivered on its promise to be a national model for health care.” (Erin Cox, “Faltering Exchange Could Mean Trouble For O’Malley, Brown,” [Baltimore Sun](#), 12/24/13)

- **The Overall Cost Of Its Failed ObamaCare Exchange Is \$261 Million.** “Maryland’s poorly performing health exchange will cost taxpayers \$33 million more than expected this year, bringing the state’s total annual expense to \$138 million, officials said Monday. The money is needed, in part, to pay the company hired to help fix the dysfunctional web site and to triple the work force at the state’s call center, which has been overwhelmed by requests for help from customers struggling to buy insurance online. ... The additional spending this year will bring the overall cost

of the online insurance marketplace to \$261 million, officials said.” (Erin Cox, “Costs Rising For State Health Exchange, Which Is Still ‘Not Functional,’” [The Baltimore Sun](#), 2/10/14)

Last Month, Maryland’s State Health Secretary Recently Testified That The State’s ObamaCare Exchange Still Suffers From “Serious IT Defects.” “The exchange still has ‘serious IT defects,’ state health secretary Dr. Joshua Sharfstein told a panel of lawmakers in Annapolis. The administration plans to use the existing contractors for the rest of the current enrollment period, which ends March 31, Sharfstein said.” (Erin Cox, “Costs Rising For State Health Exchange, Which Is Still ‘Not Functional,’” [The Baltimore Sun](#), 2/10/14)

- **Maryland Officials Are Doubtful That The Website Will Be Fixed Before The Next Enrollment Season.** “Even with the extra spending, it isn’t certain the exchange can be fixed – or is worth fixing – in time for the next enrollment period in the fall, officials said.” (Erin Cox, “Costs Rising For State Health Exchange, Which Is Still ‘Not Functional,’” [The Baltimore Sun](#), 2/10/14)

HAWAII ISN’T PARADISE FOR OBAMACARE

After Enduring A Launch Delay, Hawaii’s ObamaCare Exchange Continues To Be Riddled With Software Glitches. “The Hawaii exchange has had problems from its start, including software problems and a delay in open enrollment that led some people to skip the exchange altogether and buy plans directly from insurance companies in anticipation of a March 31 coverage deadline under President Barack Obama’s federal health care overhaul.” (Cathy Bussewitz, “Hawaii Lawmakers Question Health Exchange’s Leader,” [The Associated Press](#), 3/14/14)

- **Hawaii Received \$205 Million To Build Its Error Ridden ObamaCare Exchange.** “The state received more than \$205 million in federal money to build a health insurance exchange to serve those still uninsured.” (Maeve Reston, “Hawaii Health Market Doesn’t Connect,” [Los Angeles Times](#), 2/26/14)

Due To Low Enrollments, Hawaii Lawmakers “Are Proposing A Fee To Insurers” To Prop Up The “Financially Troubled” Exchanges. “Hawaii lawmakers are proposing charging a fee to insurers that are not participating in the state’s insurance exchange under President Barack Obama’s federal health care overhaul. The fee would help prop up the financially troubled Hawaii Health Connector. The exchange has enough money to cover its bills for this year - but not beyond that, without some help.” (Cathy Bussewitz, “Lawmakers Propose Fees For Hawaii Health Exchange,” [The Associated Press](#), 3/11/14)

The Exchange Will Be Unable To Finance Itself Even Under The “Best-Case Scenario” For Enrollments Moving Forward. “‘That revenue figure is far below what we think our expenses are going to be,’ said Matsuda, who has estimated that the agency will need about \$15 million a year starting in 2015. Health Connector board members also looked at the best-case scenario for enrollment, and ‘even then, we’re still short on having enough revenue to cover projected expenses,’ he said.” (Maeve Reston, “Grim Scenario For Hawaii’s Obamacare Plan: The Numbers Don’t Add Up,” [Los Angeles Times](#), 2/27/14)

Hawaii Health Exchange Officials Have Stone-Walled The Press From Learning The Full Extent Of Exchange’s Problems. “For the last two months, health care program officials -- in response to records requests from the Los Angeles Times -- have declined to release anything but a nine-line summary of the current year’s budget. On Saturday they produced another summary for the 2013-14 fiscal year, which they also provided to lawmakers.” (Maeve Reston, “Hawaii Health Market Doesn’t Connect,” [Los Angeles Times](#), 2/26/14)

MASSACHUSETTS WAS EXPECTED TO BE AN OBAMACARE SUCCESS, BUT THE EXCHANGE STILL ISN’T FULLY FUNCTIONAL

Officials Connected To The State’s ObamaCare Website Have Acknowledged That The Website May

Not Be Functioning Even After A Special Three Month Extension. “The consultant brought in to help fix the state’s troubled health insurance marketplace acknowledged Thursday that its website may not be fully functioning by the end of June, and that one option under consideration is to scrap the multi-million-dollar site and start over. The lack of a working website may make it difficult to meet the June 30 deadline to move more than 200,000 people into insurance plans that comply with the federal Affordable Care Act, said Sarah Iselin, special assistant to Governor Deval Patrick.” (Carolyn Y. Johnson, “State’s Troubled Insurance Website May Not Be Fully Functioning By June Deadline,” [Boston Globe](#), 2/28/14)

- **Last Month, The Obama Administration Granted Massachusetts A Waiver Extending ObamaCare Enrollment By Three Months.** “The federal government has granted Massachusetts a three-month extension to meet the requirements of the Affordable Care Act, giving the state more time to correct its troubled health insurance website and deal with tens of thousands of unprocessed applications, state officials said Thursday. The waiver from the U.S. Centers for Medicare and Medicaid Services extends a March 31 deadline until June 30.” (“Mass. Gets 3-Month Extension To Comply With ACA,” [The Associated Press](#), 2/13/14)

New Details Released By Massachusetts State Health Officials Show That There Were “Alarming Calamities” In The Early Development Of The State’s ObamaCare Website. “Stunning new details concerning the disastrous launch of ObamaCare in Massachusetts — released by state health officials only after persistent inquiries by the Herald — reveal what experts say are even more alarming calamities in the early development of the failed website than previously reported.” (Chris Cassidy, “Alarming’ Connector Failures Detailed In ‘Not For Public’ Report,” [Boston Herald](#), 3/13/14)

- **According To Reports, “There Was Never Any Actual Performance Testing Of The Website Before It Went Live Oct. 1.”** “There was never any actual performance testing of the website before it went live Oct. 1 — a failure that ‘should have been enough to delay its launch,’ said Joshua Archambault of the Pioneer Institute. ‘Yet the state moved forward anyway, and we have witnessed the anxiety and pain these problems have caused’; There was no accountability for staffers for failing to perform; The project wasn’t properly coordinated. ‘People that were supposed to be talking to each other weren’t,’ said Bill Curtis, the chief scientist at CAST Software...” (Chris Cassidy, “Alarming’ Connector Failures Detailed In ‘Not For Public’ Report,” [Boston Herald](#), 3/13/14)

According To The Centers For Medicare And Medicaid Services (CMS), Massachusetts Received \$179 Million In Federal Taxpayer Dollars To Create Its Failed ObamaCare Exchange. (“Massachusetts Affordable Insurance Exchange Grants Awards List,” [Centers For Medicare And Medicaid Services](#), Accessed 3/17/14)

\$155 MILLION AND ALL MINNESOTA GOT WAS A SHODDY WEBSITE

According To MNSure Officials, The State’s ObamaCare Exchanges Suffered From “A Swamp Of Management Failures And Technical Glitches.” “Behind MNSure’s upbeat façade was a swamp of management failures and technical glitches that crippled the more-than \$100 million website. People interviewed by MPR News say MNSure’s top officials, including former executive director April Todd-Malmlov, were insular and stingy with information and that they ignored advice for improvement. They say MNSure staff was disorganized and often didn’t have answers to their questions. And an early decision by the state to buy software that was still under development compounded the problems, adding to what one recent report called a ‘crisis mode’ inside MNSure.” (Elizabeth Stawicki and Catharine Richert, “What Went Wrong With Minnesota’s Insurance Exchange,” [MPR News](#), 3/12/14)

Minnesota Has Had To Lower Its Enrollment Goals As The ObamaCare Exchange Enrollment Continues To Fall “Short Of Expectations.” “Enrollment in commercial plans through MNSure has fallen

short of expectations because of troubles with the website and call center. While both are improving, MNSure last month lowered its enrollment projections for the number of people signing up in commercial plans.” (Christopher Snowbeck, “MNSure Plans To Spend \$12.5 Million For Website, Call Center Fixes,” [St. Paul Pioneer Press](#), 3/13/14)

- **Only 32,030 Minnesotans Have Signed Up For ObamaCare As Of March 1, 2014.** (“Addendum To The Health Insurance Marketplace: March Enrollment Report,” [Department Of Health And Human Services: Office Of The Assistant Secretary For Planning And Evaluation](#), 3/11/14, p. 5)

According To The Centers For Medicare And Medicaid Services (CMS), Minnesota Received \$155 Million In Federal Taxpayer Dollars To Create Its Failed ObamaCare Exchange. (“Minnesota Affordable Insurance Exchange Grants Awards List,” [Centers For Medicare And Medicaid Services](#), Accessed 3/17/14)