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White House improvises again on patchy Obamacare rollout

By: Tom Howell Jr. - December 12, 2013

The Obama administration changed the new health care law in midstream once again Thursday, this time by tweaking deadlines and leaning on the good graces of insurers to help people who risk losing health coverage in the new year.

The Department of Health and Human Services said it is extending for one month a program for Americans with heart disease, cancer or other pre-existing medical conditions so they do not see a break in coverage as they attempt to enroll in Obamacare's insurance markets.

"We don't want these folks to experience a coverage gap," HHS Secretary Kathleen Sebelius said.

The administration then released a package of rules and proposals designed to smooth over the consequences of the law's rocky rollout for everyone else. It formally extended the deadline from Dec. 15 to Dec. 23 to enroll in time to be covered by Jan. 1, and it asked insurance companies to go easy on would-be customers under Obamacare.

The administration wants insurers to let people who sign up after Dec. 23 to still get coverage by Jan. 1. It also suggested that insurers cover people who pay for part, but not all, of their first premium, and allow "retroactive coverage" to people who, say, sign up on Jan. 5 but want coverage that would have begun Jan. 1 so they can qualify for an advanced premium tax credit.

Health officials said they were trying to be flexible, but critics of the law said the administration was stretching the bounds of reality by asking insurers to make allowances for people who haven't even paid their first premiums.

"It's not just that it asks a lot of the insurance companies," said Michael F. Cannon, a health policy director at the Cato Institute. "What it asks of the insurance companies is so outrageous."

House Energy and Commerce Committee Chairman Fred Upton, Michigan Republican, bemoaned the announcement as "another day, another delay," and said Mrs. Sebelius did not hint of more delays during her testimony Wednesday on Capitol Hill.

The Obama administration is trying to turn the corner and get Americans covered after the disastrous implementation of the federal health exchange system in October and November. At the start of this month, the White House announced that HealthCare.gov, the federal portal that serves 36 states, is working much better after a fix-it team made software patches and added Web capacity.

While the White House has reason for optimism, its proposals are a tacit admission that Americans who lost existing coverage because of the law's coverage requirements — or never had coverage and want it — may go without health insurance for a time, even as they are mandated to hold some form of health insurance as of 2014.

“Only people who are putting a happy face on sheer panic could come up with these proposals,” Mr. Cannon said.

Thursdays' fixes put an emphasis on the sickest of consumers who rely on the Pre-Existing Conditions Insurance Plan. The program was supposed to be terminated at the end of the year, because under the Affordable Care Act insurers can no longer deny consumers with pre-existing conditions.

But the overhaul's wobbly rollout put their continuous care in jeopardy. Now, participants in the transitional program can remain in it for the month of January if they have not already secured some form of health insurance.

Senate Minority Leader Mitch McConnell said the move is “a clear admission that Obamacare is failing Americans with pre-existing conditions who are losing the plans they already had.”

“How many extensions and waivers is it going to take for the administration to admit the consequences of Obamacare that are hitting millions of Americans they promised it would help?” the Kentucky Republican said.

The pre-existing conditions plan has helped 135,000 people get coverage, but it had to suspend new enrollments in February to make sure it had enough money to take care of existing enrollees. It has cost more than \$4.7 billion, although officials said Thursday it has the funds to carry its remaining 85,000 participants through January.

Patient groups were quick to praise the one-month extension.

“Extending the Pre-Existing Condition Insurance Plan will give tens of thousands of people with a history of cancer or another serious disease the security of knowing they will not face a costly gap in coverage on Jan. 1 if they cannot enroll in a marketplace plan by Dec. 23,” said Chris Hansen, president of the American Cancer Society Cancer Action Network.