Enrollment figures underscore Obamacare debacle

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Less than 50,000 people had successfully enrolled for insurance coverage through the problem-plagued HealthCare.gov web site as of last week. The figure is less than 10 percent of the Obama administration's target for October of 500,000 enrollees in private insurance plans via the federal insurance exchange set up under what is commonly known as Obamacare.

The failure of the government web site is a reflection of the irrational and reactionary character of the entire health care scheme, whose architecture and structure are dictated by the profit interests of insurance companies and hospital chains, not the medical needs of the American people.

The *Wall Street Journal*, which spoke to two people familiar with the matter on condition of anonymity, reported the unofficial figures on Monday. The White House has said it will release its own figures sometime this week, but White House spokesman Jay Carney cautioned on Tuesday that the numbers "will be lower than we hoped and we anticipated."

In an October 24 disclosure, the administration said that only 700,000 people had thus far completed applications in all 50 states, including on the federal web site covering 36 states and the 14 web sites in states that have set up their own exchanges. This figure provides no indication of how many of these people have actually succeeded in enrolling in a plan.

The debacle at HealthCare.gov, where technical problems have blocked many users from completing insurance applications or even creating accounts, has prompted growing disaffection among congressional Democrats, many of whom have been strong backers of the Affordable Care Act (ACA) but are up for reelection in 2014. So far, 11 Senate Democrats have indicated they support extending the enrollment deadline, currently set at March 31, 2014.

Delaying the deadline is strongly opposed by the insurance industry, which fears that an extension will shrink the pool of new customers purchasing plans, particularly younger, more healthy people who are less costly to insure. Under the ACA "individual mandate," individuals and families who are not insured through their employer or a government program such as Medicare or Medicaid must obtain insurance or pay a penalty. If enough people do not enroll, the entire health care overhaul is threatened, as it is based on the private insurers' ability to turn what they consider a reasonable profit.

Washington-based consultant Avalere Health reported Monday that about 49,100 people have enrolled at the state-run sites, excluding the states of Oregon, California and Massachusetts. New York's exchange reported 13,300 enrollments through November 10, the highest among the states, while Washington state had the second highest, at 7,300.

Earlier figures from the Congressional Budget Office (CBO) projected that 7 million people would enroll via the ACA exchanges through 2014. The exchanges would have to be signing up about 100,000 people a day to get anywhere near this number. Bob Laszewski, an insurance industry consultant based in Virginia, told Bloomberg News, "We're talking about 20 to 30 transactions a day, per state, leaking through the system, it's so bad."

The White House has initiated a "tech surge" in an effort to resolve the problems at HealthCare.gov. Chris Jennings, deputy assistant to the president for health policy, told reporters, "We are working 24-7 to ensure that the site is working smoothly for the vast majority of users by the end of November."

The White House has brought in Jeffrey Zients, who is set to become President Obama's top economic adviser in January, to oversee the effort to fix the site. The selection of Zients, a multimillionaire investor and management consultant, is indicative of the intimate connections between the Affordable Care Act and the health care industry.

Zients once worked at Bain Consulting, formerly headed by 2012 Republican presidential candidate Mitt Romney. He founded Portfolio Logic, a small private equity firm with a stake in PSA Healthcare, a pediatric home health business. The White House contends that Zient's health care investment does not constitute a conflict of interest with his work at HealthCare.gov.

The Obama administration is also increasingly relying on private insurers for technical help to repair the problem-ridden web site. Last week, Chris Jennings and White House Chief of Staff Denis McDonough attended the board meeting of America's Health Insurance Plans (AHIP), the insurance industry's main trade group, to discuss the crisis.

Skeptical that the administration will get the web site up and running by the end of the month, insurance companies are pushing the White House to allow them to enroll people eligible for subsidies directly through their own web sites.

Insurers have been initiating enrollments through the exchange since the launch, but at one stage in enrollment they have to connect to HealthCare.gov to determine whether customers' incomes qualify them for government subsidies. This part of the system is malfunctioning, so insurers are seeking a bypass that would give them direct access to the federal platform that determines a consumer's eligibility for subsidies.

Under this, the insurers are demanding that they be compensated for any underestimation of subsidies that might occur, and that they be allowed to keep any extra subsidy money they might accidentally be paid. The insurers would also have direct access to potential customers' personal data, including tax records and immigration and other records from the Department of Homeland Security.

Although a decision has yet to be made allowing this direct access, in a recent statement, White House aide Jennings said that the administration was "continuing to pursue additional avenues by which people can enroll, such as direct enrollment through insurance companies, that will help meet pent-up demand." Under direct enrollment, the individual insurers would have no obligation to tell customers about competing plans available to them.

The very fact that the government is considering allowing insurance companies to bypass the government exchanges and directly enroll individuals required under the new law to buy health coverage underscores the Potemkin Village character of the entire health care overhaul. It is a scheme for further enriching the health care conglomerates and slashing corporate and government costs by reducing coverage for tens of millions of working people, while leaving more than 30 million people without any health insurance.