As deadline for HealthCare.gov “fix” arrives

Obamacare debacle intensifies

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The deadline for a “fix” to HealthCare.gov arrives today in the wake of another setback for the problem-plagued web site set up under the Affordable Care Act (ACA). On Wednesday, the Obama administration announced a one-year delay for small businesses to sign up online for insurance policies through what is commonly known as Obamacare.

Online enrollment in the Small Business Health Options Program (SHOP) was originally slated to begin this month. Obama officials, however, said the administration was now delaying the SHOP online feature until November 2014 and focusing instead on getting the HealthCare.gov web site working for the “vast majority” of users. The federal site serving 36 states has been plagued by outages and poor performance since its October 1 launch.

The debacle of the rollout of HealthCare.gov is bound up with the pro-corporate character of the entire Obamacare scheme. With every tortured turn, the failure of the web site has underscored the fact that the ACA has nothing in common with providing “affordable,” “near-universal” health care for ordinary Americans. Rather, it is aimed at rationing and cutting care while boosting the profits of private insurers and the entire health care industry.

It has already become clear that for millions of working people, Obamacare will mean higher premiums, deductibles and co-pays and/or reduced access to doctors, medical procedures and drugs. What is being exposed is the fact that the entire scheme is little more than a government umbrella for increased profit-making by the health care industry as well as cuts in government health care spending.

Under Obamacare, with few exceptions, individuals without insurance through their employer or a government program such as Medicare or Medicaid must obtain insurance or pay a penalty. This insurance is offered on the Obamacare exchanges for purchase from private insurance companies, which stand to profit handsomely from the new influx of cash-paying customers.

Beginning in 2015, employers with 50 or more employees must provide full-time workers with health coverage or pay a fine. While businesses with less than 50 employees are not required to provide insurance coverage, those that do may be eligible under the ACA for tax credits of up to 50 percent of the premiums paid out.

Julie Bataille, director of the Office of Communications for the Centers for Medicare and Medicaid Services, said Wednesday that the online sign-up option for small businesses would not be available until November 2014, but that small businesses could continue to enroll for the SHOP program through paper applications or through insurance agents and brokers, or directly through private insurers.

Online SHOP enrollment was supposed to be available with the October 1 HealthCare.gov launch, but was delayed when it became clear that the web site was woefully unprepared to handle the traffic for even individual customers. Also being delayed for a year in the SHOP marketplace is the “employee choice” feature, which would allow small business employees to choose from a selection of health plans, rather than have the business owners select coverage for them.

Without the online option and the employee choice feature, health insurance for small businesses and their workers is basically the same as pre-Obamacare, and may be worse in terms of choice and cost. The private insurance companies are likely to capitalize on HealthCare.gov’s troubles to promote their own out-of-exchange policies.

Kevin Kuhlman, manager of legislative affairs for the lobbying group National Federal Independence Business, told *USA Today* in relation to the small business market, "The continued delays add to uncertainty and contribute to the decision of many owners to take early renewals on their small-group plans." Since there is no requirement that small businesses provide health coverage, employers who were considering offering it through SHOP may decide against it.

Due to the added paperwork of going with SHOP, and fearing potential premium increases on the exchanges, small businesses may opt to keep their current coverage or simply dump it, leaving their employees to fend for themselves on the Obamacare exchanges. As with the individual market, the fewer the number of people who sign up for coverage through the Obamacare exchanges, the smaller the pool of insured, and the more likelihood that the private insurers will hike premiums.

According to a count by CNN based on available figures, little more than 200,000 people have signed up for health insurance so far under Obamacare, the majority of them at the state-sponsored exchanges, not HealthCare.gov. The Obama administration is focused on signing up 7 million individuals on the individual insurance exchange by March 31, 2014. Since small-business enrollees do not count towards this goal, the SHOP online feature is a low priority for the government.

Beginning today, Health and Human Services (HHS) officials have said that HealthCare.gov will be able to handle 50,000 simultaneous visitors, for a daily total of about 800,000. This is twice the capacity seen as recently as this past Wednesday, as the Obamacare "tech surge" team began a last-minute scramble to fix hardware and software problems at the beleaguered federal site.

About 30 to 40 members of the post-rollout team—including engineers, database architects and contractors from various companies—worked on the site over the Thanksgiving holiday. Insurance industry sources told CNN on condition of anonymity that there are still significant problems with the transmission of data by people signing up for coverage. "There's no part of us that thinks all of this will be fixed in three days from now," an insurance industry official told CNN earlier this week.

Obama administration officials have been very cautious about their promises for improvements at the online Obamacare marketplace. Julie Bataille told reporters that the November 30 target "does not represent a relaunch of HealthCare.gov; it is not a magical date." She added, "There will be times after November 30 when HealthCare.gov does not function properly."

According to a White House official, the administration is urging so-called "navigators" to hold off on campaigns encouraging people to access HealthCare.gov during the upcoming week, fearful that a huge surge in volume might wreak havoc on the site. HHS Secretary Kathleen Sebelius urged consumers to shop at "off peak" hours.

The White House has defined HealthCare.gov as functioning for the "vast majority" if 80 percent of users can have a successful online experience. Luke Chung, president of software developer FMS Inc., based in Virginia, described the White House's target as an impractical threshold in the software world. "I don't know how to build something that's only 80 percent complete," he said, "I don't even understand how that works."

It is clear that the Obama administration defines "success" not as the ability of working families to obtain quality, affordable health care, but as the web site's ability to sign up a sufficient number of new customers for the private insurance companies to make the pro-corporate Obamacare enterprise viable.