Obamacare short of enrollment target ahead of March 31 deadline

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The Obama administration is conducting an all-out push to sign up new enrollees for the Affordable Care Act before the March 31 deadline. According to regulations of the legislation popularly known as Obamacare, those without insurance through their employer or a government program such as Medicare or Medicaid must obtain insurance by the end of this month, or pay a tax penalty in 2015.

The Department of Health and Human Services (HHS) reported last week that about 940,000 people signed up for plans through Obamacare in February, bringing the total to about 4.2 million, far short of the Obama administration's original 5.7 million projection. People shopping for health insurance must select from plans offered by private insurers through the insurance exchanges set up under the ACA.

In addition to the overall low enrollment figures, the number of young people signing up is also far below original government forecasts. The administration had originally projected that those between the ages of 18 and 34 would account for 38.5 percent of enrollees. Of those signing up between October 1, 2013, and March 1 of this year, only 25 percent were in this age group.

The White House and private insurance companies are counting on young, healthy people signing up to offset the higher cost of insuring older, less healthy people. Insurance companies are depending on a sufficient influx of cash-paying, younger enrollees to maintain their profit margins. Under the ACA, the insurers are still allowed to charge three times as much for premiums for older enrollees.

The Obama administration's efforts to court young people have included an interview with "American Idol" host Ryan Seacrest on his radio program last Friday, which followed a March 11 appearance on the comedy interview web series "Between Two Ferns with Zach Galifiankis." The president's last-ditch maneuvers are taking on an increasingly desperate and cynical character.

The latest marketing campaign by administration health care officials focuses on "March Madness," the National Collegiate Athletic Association (NCAA) men's and women's basketball tournaments that begin this week. Beginning Monday, Obama, some of his aides, and celebrity basketball players and coaches will conduct interviews, feature in public service ads and make appeals on social media. Obama was set to release Monday night a "16 Sweetest Reasons to get Covered" bracket modeled on the predictions for winners of the NCAA tournament.

In an effort to target the Hispanic audience, Obama was scheduled to appear Monday on the Univision Radio program "Locura Deportive" (Sports Madness), while ESPN Deportes will interview White House Chief of Staff Denis McDonough.

In an interview Friday on the popular health information site WebMD, the president stated he was confident enough people have signed up for Obamacare to make the program "stable." However, pointing to the main purpose of his interview, he stressed "the more you can spread the risk with more people, the better deal you're going to get." He added, "You know, the impact in terms of the program has always been based more on the mix of people who sign up."

While touting the law's virtues, he acknowledged that lower-cost policies on the health care exchanges may have limited choices of doctors and other providers. "For the average person," Obama said, "many folks don't have insurance initially, they're going to have to make some choices. And they may have to switch doctors, in part because they're saving money."

The president added that people may discover that a network "is more expensive than another network, and maybe you've got to make a choice about what's right for your family." In other words, the substandard plans are the only thing you and your family can afford, but because of the "individual mandate" you must purchase it or pay a penalty.

A survey by consulting firm McKinsey & Company reports that only about a quarter of the 4.2 million people signing up for insurance through the Obamacare exchanges through February were previously uninsured. This means that the program has so far made only a tiny dent in the estimated 48 million uninsured Americans.

The survey also found that of those shopping on the exchanges, only about half actually signed up for coverage, citing high premium prices as the reason for not buying insurance. They failed to enroll after visiting an online exchange despite the fact that four in five of this group qualified for government subsidies to purchase insurance under Obamacare.

In an appearance last month before the House Ways and Means Committee, Health and Human Services Secretary Kathleen Sebelius stated that ACA "premiums are likely to go up, but at a smaller pace than what we've seen since 2010." While she failed to specify precisely what this "smaller pace" would look like in practice on the exchanges, other data on insurance premiums indicates private insurers will be hiking premiums substantially.

According to a report from eHealthInsurance, an online private insurance exchange, Americans purchasing coverage outside the Obamacare exchanges are seeing premiums up to 56 percent higher than before the health law took effect. The report shows families paying an average of $663 a month, with premiums as high as $2,604 a month for a family in California, and $1,845 in New York.

According to eHealthInsurance, rates have jumped as insurers shift the cost of covering the added features of the ACA to consumers. While the insurers are now required to cover certain essential health benefits, and cannot deny coverage to people with preexisting conditions, they are not sacrificing their profits to do so. This is placing individuals and families who are not insured through their employers, and in general do not qualify for government subsidies, in an impossible financial position.

A substantial number of people facing these huge premium hikes are those whose insurance was cancelled because it did not meet the ACA standards. The White House faced a backlash last year when several million people received notices of cancellation, contradicting Obama's claim that "if you like your plan, you can keep your plan."

These people were eventually given the option of keeping their plans temporarily in those states where insurance commissions allowed it. In the latest reported tweak to the health care law, these people have now been given a permanent exemption from the "individual mandate."

You can now fill out a form attesting that you "believe that the plan options available in the [ACA] Marketplace in your area are more expensive than your cancelled health insurance policy" or "you consider other available policies unaffordable." In other words, you will be exempted from the requirement to purchase qualified insurance, and can dodge the penalty, but you will be left without any health coverage whatsoever.