

# Health insurance penalty delayed as federal exchange comes under fire

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Lawmakers demand answers on HealthCare.gov foul-up.

(HealthDay)—U.S. consumers who sign up for health insurance by March 31 won't face tax penalties for being uninsured during the first three months of 2014, the Obama administration said Thursday.

The new deadline, which marks the end of the 2014 open-enrollment period, gives uninsured individuals and families six more weeks to enroll in a health-coverage plan.

The Affordable Care Act, the Obama administration's broad and controversial health-reform package, requires most Americans to have [health insurance](#) or pay a penalty. Many experts had interpreted language in the law to mean that fines would take effect in mid-February, but the White House confirmed the March 31 deadline.

As for how that date will be enforced, Julie Bataille, spokeswoman for

the U.S. Centers for Medicare and Medicaid Services, said Thursday: "This is something that [the U.S. Department of Health and Human Services] is working on, and we expect to issue something soon."

The administration's announcement comes amid ongoing concerns, including among some Democrats who supported the health-reform law, that many Americans who want to sign up for coverage have been unable to access HealthCare.gov, the federal health marketplace, due to computer difficulties.

The marketplaces—or "exchanges"—are the centerpiece of the administration's health-reform legislation, known to many as Obamacare. The federal exchange is supposed to serve as the portal where uninsured Americans in 36 states may sign up for coverage.

At a hearing of the House of Representatives' Energy and Commerce Committee on Thursday, lawmakers from both parties demanded answers from federal contractors who had a role in developing the federal website.

"Prior to Oct. 1, did you know that the HealthCare.gov website was going to have crippling problems?" committee chairman Rep. Fred Upton, R-Mich., demanded of the four panelists. "Or did you not know about these problems and chose not to disclose them to the [administration](#) when you figured out that it wasn't working the way that perhaps it was designed to work?"

Federal contractors said their individual portions of the exchange were tested and ready for the Oct. 1 registration start-up.

The contractors indicated that the U.S. Centers for Medicare & Medicaid Services' last-minute decision to require consumers to apply for coverage before being able to shop for a health plan may have

contributed to the glitches people have experienced trying to sign up.

Cheryl Campbell, senior vice president of health and compliance programs at CGI Federal Inc., the lead contractor that developed the federal marketplace, said her company did not express an opinion about whether the Centers for Medicare & Medicaid Services (CMS) should have delayed the roll-out.

"CMS had the ultimate decision for a live go-or-no-go decision, not CGI," Campbell told the lawmakers. "It was not our position to tell our client whether they should go live or not go live."

Andrew Slavitt, group executive vice president of Optum, which owns the federal contracting firm Quality Software Services Inc., said his company had been involved in testing the entire system and expressed "concerns and risks to CMS throughout the project."

"It was CMS' business decision not to have window shopping as of Oct. 1," Bataille said at a media briefing Thursday afternoon, meaning that the agency decided to require consumers to apply for coverage before browsing their health-plan options.

CMS, however, recently updated the website to allow consumers to browse before buying an insurance policy.

Asked why CMS did not conduct further "end-to-end" testing of the federal exchange, Bataille blamed time constraints.

"When you look at the complexity of the system ... I think it is no surprise to anyone what we were operating under was a compressed time frame," she told reporters.

CMS has yet to disclose the number of Americans who have purchased

coverage through the federal and state marketplaces. Bataille said, however, that some 700,000 applications for coverage have been submitted across the nation.

The Affordable Care Act was passed by Congress in 2010.

**More information:** The Henry J. Kaiser Family Foundation has tools and information to help consumers [understand the Affordable Care Act](#).

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