

Obama orders major change in troubled health plan (Update)

November 14 2013, by Steven R. Hurst



President Barack Obama speaks about his signature health care law, Thursday, Nov. 14, 2013, in the Brady Press Briefing Room of the White House in Washington. Bowing to pressure, President Barack Obama intends to permit continued sale of individual insurance plans that have been canceled because they failed to meet coverage standards under the health care law, officials said Thursday. (AP Photo/Charles Dharapak)

President Barack Obama, bowing to heavy pressure from fellow Democrats and a storm of criticism from Republicans, ordered changes

to his health care law on Thursday, allowing the continued sale of insurance plans that have been canceled for Americans in the private marketplace because they failed to meet coverage standards under the overhaul.

Obama said he had "heard loud and clear" from Americans who are facing cancellation despite Obama's promise that his signature legislation would allow all Americans to keep their current insurance plan if they liked their coverage.

Even so, Obama said he was not going to "walk away from" the law that would help tens of millions of Americans to afford health insurance and that has brought down the cost of health care.

"The affordable care act is going to work," Obama said at as White House news conference. "We're just going to continue chipping away at this until the job is done.

Obama has been under enormous pressure from congressional Democrats to give ground on the cancellation issue under the health care overhaul, a program likely to be at the center of next year's midterm elections for control of the House and Senate.

Obama and members of his administration are struggling to get his signature health care initiative right, conscious that it will have a determining effect on how history judges his presidency. The decision marks an abrupt switch in position.

Only last week, Health and Human Services Secretary Kathleen Sebelius told a Senate panel she doubted that retroactively permitting insurers to sell canceled policies "can work very well since companies are now in the market with an array of new plans. Many have actually added consumer protections in the last three-and-a-half years."

The clunky rollout of the plan has given Republicans a new line of attack ahead of the elections, which they hope will offset the drubbing they took in public opinion over last month's 16-day partial government shutdown



President Barack Obama pauses as he speaks about his signature health care law, Thursday, Nov. 14, 2013, in the Brady Press Briefing Room of the White House in Washington. Bowing to pressure, President Barack Obama intends to permit continued sale of individual insurance plans that have been canceled because they failed to meet coverage standards under the health care law, officials said Thursday. (AP Photo/Carolyn Kaster)

Officials said letters were going out to insurance companies on Thursday informing them they could continue to sell existing individual policies to current customers for 2014, even in cases of plans that had been ruled

inadequate under the new law.

Insurers would be required to notify consumers that alternatives exist under "Obamacare," and also to specify the areas in which current plans fall short of the coverage required in the law.

At the same time, the plans would be closed to anyone not currently enrolled, marking a difference with legislation that House Republicans intend to put to a vote on Friday.

Pending the president's announcement, the administration had decided to permit insurance companies to continue the sale of individual policies that had been in effect on the date "Obamacare" was enacted in 2010, but not afterward.

At the same time, the administration is promising improvements in a federal website so balky that enrollments in October totaled fewer than 27,000 in 36 states combined. The administration had said in advance the enrollment numbers would fall far short of initial expectations. After weeks of highly publicized technical woes, they did.

"That's on me," Obama said of the bungled start for the huge change in the American health insurance system.

Adding in enrollment of more than 79,000 in the 14 states with their own websites, the nationwide number of 106,000 October sign-ups was barely one-fifth of what officials had projected—and a small fraction of the millions who have received private coverage cancellations as a result of the federal law.

The administration said an additional 1 million people have been found eligible to buy coverage in the markets, with about one-third qualifying for tax credits to reduce their premiums. Another 396,000 have been

found eligible for Medicaid, which covers low-income people.

Republicans were unmoved.

"Even with the administration's Enron-like accounting, fewer people have signed up for Obamacare nationwide than the 280,000 who've already lost their plan in Kentucky as a result of Obamacare mandates," Senate Minority Leader Mitch McConnell, said Wednesday.

Administration officials and senior congressional Democrats expressed confidence in the program's future. "We expect enrollment will grow substantially throughout the next five months," said Sebelius, who is in charge of the program.

"Even with the issues we've had, the marketplace is working and people are enrolling," she added.

Despite that confidence, the White House made the shift Thursday in a bid to reassure anxious Democrats who are worried about the controversial program, which they voted into existence three years ago over Republican opposition as strong now as it was then.

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