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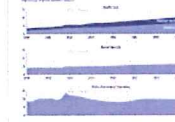
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Is Obamacare too much work for the Obama administration?

Posted by Sarah Kliff on November 12, 2012 at 2:03 pm

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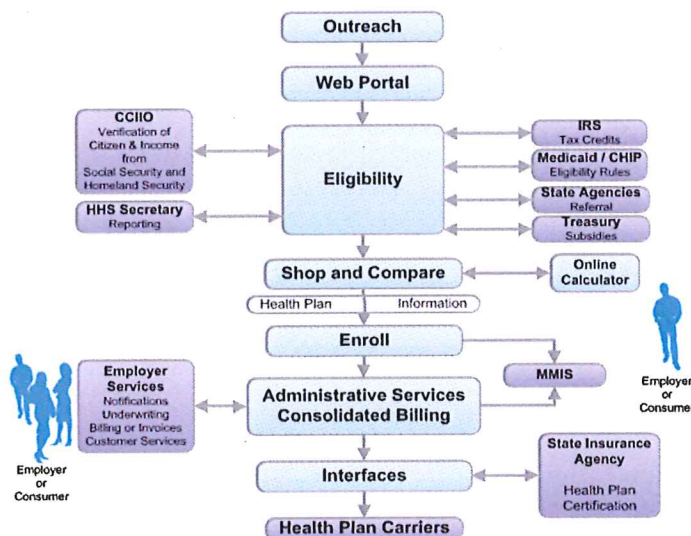
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By the end of this week, states must decide whether they will build a health-insurance exchange or leave the task to the federal government. The question is, with as many as 17 states expected to leave it to the feds, can the Obama administration handle the workload.

"These are systems that typically take two or three years to build," says Kevin Walsh, managing director of insurance exchange services at Xerox. "The last time I looked at the calendar, that's not what we're working with."

When Walsh meets with state officials deciding whether to build a health exchange, he brings a chart. It outlines how to build the insurance marketplace required under the Affordable Care Act. To call it complex would probably be an understatement:



These marketplaces often get described as a Travelocity or Expedia for health benefits. While that might be the case for the consumer experience, experts say the underlying technology is hugely more complex, a maze of interconnecting computer systems meant to deliver health insurance to 30 million Americans.

“The reality is, states and the federal government are building something new,” says Pat Howard, who runs state health issues for consulting firm Deloitte. “There’s a rough blueprint in terms of federal regulations, but there’s still a number of decisions that need to happen to operationalize this.”

A health exchange’s first task is ensuring that those who are eligible for benefits know about them — right now, research suggests three-quarters have no idea.

That suggests a huge outreach challenge — and one the federal government may not be ideally suited to completing. Evidence suggests that it works better when it caters to local markets. Massachusetts, for example, saw high enrollment after it partnered with the Red Sox to promote its health-insurance exchange.

After people become aware of benefits, the health exchange faces its biggest challenge: Figuring out who is eligible for what. In many states those who earn less than 133 percent of the Federal Poverty Line are eligible for Medicaid — except if the state has already extended benefits to an even higher level, as 35 states have for children.

“There may be different family members eligible for different programs,” says Sam Gibbs, vice president of sales at eHealthInsurance. “There needs to be a technology system that can support that activity, and look at multiple programs for multiple people.”

A state can’t figure out how much an individual earns on its own. For that, it needs to ping a federal data hub that does not yet exist.

The federal government recently contracted with the healthcare IT firm QSSI to build that data hub, and they plan to make it available to both the exchanges that states run and those that the federal government sets up. It will determine whether individuals are eligible for Medicaid, subsidies or no benefit at all.

The challenge here is for states, which may have complex Medicaid rules or old computer systems, to actually plug into the federal hub.

“In many states, the Medicaid system is the best technology that the 1980s could offer,” says Bruce Caswell, who runs the health-services segment of Maximus, a firm that works on large government data systems. “As a consequence, they might have brittle interface capabilities.”

An old Medicaid system, for example, may only have the capacity to send large batches of data each night. That was fine back in the 1980s, when most applications happened by mail. It’s less desirable when you have a law that would like to see real-time application processing.

At the same time, Caswell describes these interfaces as “super critical.” They make sure the Affordable Care Act actually works and individuals receive the health benefits to which they are entitled.

After eligibility determinations, exchanges need to present a shopping experience. This might be the easiest part for the federal government, as the same consumer interface could work decently well in different states. Nonprofit groups have also been at work on building a model for the shopping experience, which could potentially be plugged in.

There is one part of the shopping experience, however, that will be more difficult to scale: Customer service. Buying health insurance is a lot more difficult than purchasing a plane ticket on Expedia. That likely means setting up large scale customer-support operations, especially when the first open enrollment period starts in October 2013.

Caswell recalls setting up a call center that handled inquiries in Texas, when it moved 2 million people into different Medicaid programs. He had 90 days to find hundreds of consumer assistance staff — and a facility where they could all fit.

"We had it find a facility, outfit it, recruit and train staff, take in all the work and then shut it down six or seven months later," he says. "That's the kind of agility that would be difficult without a public-private partnership."

The Obama administration has known for awhile that there's a decent chance it could end up doing a lot of this. Now though, they're finding out how big their workload will actually become.

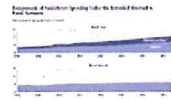
"The federal government was pretty aware by last year that there was a likelihood many states wouldn't run their own," says Kaveh Safavi, who leads Accenture's North America health business. "It's definitely been part of the planning process. Now, the execution and implementation is where we'll be watching next."



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BlueSquareState

2:21 AM EST

Actually, that supposedly "complex" chart looks pretty clean to me. The complexity is at the levels below this, but at the high level, the interfaces look pretty direct and straightforward. Still, we must be cognizant of the mythical man-month and the size of the problem. Large projects have higher risk of failure and are more difficult to manage. And I'm guessing that it's not only state systems that are brittle.

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MrTea

11/12/2012 10:25 PM EST

Everybody should see the video "Escape Fire". Washington has done it's usual job of rearranging things at hideous expense without doing anything that will actually provide additional care. My doctor already warned me they do not have the personnel in place to accommodate the new demands on the system. They'll go back and worry about that after this thing jams up.

The Euros all ration, the Brits will actually deny you cancer meds if they determine you are too old (like 50) and on top of that they will stop you from spending your own money to acquire them. You can find the story of Linda O'Neal on the web, they did it to her. Plus they don't have 20 million Mexicans (Pres. of Mexico's number) who don't pay for anything. If LA County hospital is the future of health care, you are not going to like it.

Like Liked by 1 reader Reply

Report



dr.jimmy/mr.jim

12:56 AM EST

Well then, it's a good thing we aren't any part of Europe or Great Britain, but the country that does everything better.

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AlanSF

11/12/2012 8:39 PM EST

It's amazing the lengths this country will go to to avoid learning from the successful health care models in every other advanced nation.

Like

Liked by 4 readers

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AlanSF

11/12/2012 8:39 PM EST

It's amazing the lengths this country will go to to avoid learning from the successful health care models in every other advanced nation.

Like

Liked by 3 readers

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RightSchiffis

11/12/2012 7:22 PM EST

Bureaucratic Gridlock nightmare to Perfection.

Like

Reply

Report



RightSchiffis

11/12/2012 7:22 PM EST

Bureaucratic Gridlock nightmare to Perfection.

Like

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matthewd1

11/12/2012 7:16 PM EST

Open enrollment for health care plans sold in exchanges starts October 2013. I do not think they are going to get it up and running in time. This article makes it sound like they are still nailing down the specs! A gargantuan IT project involving all state governments, the federal government, and health insurance companies in under 11 months? If they do get it up and running, they will be lucky if it doesn't crash and burn on the first day of open enrollment.

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NoWeWillNot

11/12/2012 6:44 PM EST

In 20 years we will come back here and system will not be built. Your govt. cant do nothing but spend us into oblivion.

Like

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Report



agent

11/12/2012 6:34 PM EST

All insurance agents will be losing our jobs in 2014. Navigators on the exchange do not need to be licensed agents. We are independent small business people advocating for individuals against the carriers and understand how benefits work. W

e also understand the claims process how to get individuals paid but were completely left out of the ppaca bill. This is a job killer read the fine (yes I have read all 2000 pages). Groups under 50 will only need coverage for full time employees. Lots of people will become contract labor or have to carry two full time jobs. Part time is defined is under 30 hours a week. Many will see an income cut. Carriers only way to deal with pricing is to reduce the provider networks to compete. Your only option for service will be a call line. We need to start writing our congress men and women democratic and republican. This isn't about Partisan politics. Jobs will be lost. We need to get this bill fixed before it goes into affect. We will all be hurt by this...

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rick_desper

11/12/2012 5:19 PM EST

This doesn't make any sense:

"An old Medicaid system, for example, may only have the capacity to send large batches of data each night. That was fine back in the 1980s, when most applications happened by mail. It's less desirable when you have a law that would like to see real-time application processing."

Why would any computer system "only have the capacity to send large batches of data" at night? The computer doesn't care what time of day it is!

I cannot for a second believe that bandwidth or coding is the problem. I'd be suspicious of anybody who says otherwise.

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Kevin Post

11/12/2012 11:07 PM EST

It is like the Major insurance company i work DOS system that does nightly processing. they still exist in a lot of area, strange but true

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AMrE

11/12/2012 4:37 PM EST

This is a good thing. Government is not the problem. Bad government is the problem. Democrats are much better and more committed to actually governing, while Republicans are committed to proving government doesn't work. So more people will see increased access to better health care coverage, and it will be attributed to Obama and successive Democratic administrations.

Like Liked by 5 readers Reply

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mydisplayname

11/12/2012 3:53 PM EST

In addition to the decision regarding state-run exchanges, there's also a decision regarding Medicaid expansion. Recall that the federal government is now extremely limited in the coercion it can employ; moreover, many states (notably, Washington, Colorado, and Arizona) are eager to challenge federal authority on a variety of matters.

Alaska, Florida, Louisiana, Maine, New Hampshire, South Carolina, South Dakota, Texas, Virginia, Wisconsin, and Missouri have already announced that they will not operate PPACA Insurance Marketplaces, with Georgia and Alabama leaning in their direction.

International news coverage (Reuters, etc) of the matters -- the rapidly expanding PPACA mutiny, the Marijuana mutiny, and the immigration mutiny -- is interesting: the federal government looks increasingly foolish, with one Russian newspaper comparing it to the Soviet regime before its fall (the discussion recalled the uptick in the number of unenforceable laws passed before the USSR dissolved).

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Miles1980

11/12/2012 3:43 PM EST

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Enrolling people in Medicaid is going to be the hard part of the exchange. The Feds can set up the exchange enrollment, but I'd guess that around half of the people who go to the exchange will actually qualify for Medicaid.

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Miles1980
11/12/2012 3:43 PM EST

Enrolling people in Medicaid is going to be the hard part of the exchange. The Feds can set up the exchange enrollment, but I'd guess that around half of the people who go to the exchange will actually qualify for Medicaid.

In states like Ohio (with no exchange), they won't be able to then enroll in Medicaid online. They'll have to have face-to-face interviews at county Job and Family Services.

Obama should just screw over state Medicaid. Set up the FFE however is easiest for the FFE, and let Ohio Medicaid continue to be horribly mismanaged. We need to be able to blame our governor for the fact that he's terrible at providing health care.

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