This is what Obamacare sabotage looks like

We have more evidence than ever now.

*Updated by Sarah Kliff | sarah@ vox.com | Sep 5, 2017, 9:00am EDT*
The Trump administration has, quite brazenly, moved into Obamacare sabotage mode — hurting the most vulnerable participants as it puts the law itself at risk.

Health and Human Services announced Thursday it would cut the Obamacare sign-up budget by 72 percent. Advertising funding will fall from $100 million to $10 million for the 2018 enrollment season. In-person outreach dollars will decline from $62.5 million to $36 million.

The Affordable Care Act’s success hinges on a large number of healthy people enrolling in marketplace coverage. These policy changes only make senses as ones that would undermine that goal. Experts expect that less outreach and less advertising will lead to fewer people enrolling in coverage, and those most likely to be left behind are the young, healthy enrollees who hold down premiums for everyone else.

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Those in-person outreach efforts also ensure that vulnerable populations, like those that don’t speak English or lack internet access, can still enroll. Instead of making Obamacare more robust and inclusive, they’re setting the law up to fail.

Fewer people know about the opportunity to enroll when advertising falls by 90 percent. We know that, in part, because sign-ups fell off when the Trump administration pulled Obamacare ads in late January, shortly after taking office. In-person enrollment groups are preparing to lay off staffs; one has already begun to furlough workers after learning of the budget cuts. The likely outcome is that the marketplaces will be made up of people who remember to sign up are on their own. Those people are expected to be sicker — people who really need insurance — meaning premiums will rise for all Obamacare enrollees in 2019.

Trump administration officials offered flimsy justifications for the budget cuts. Public awareness is already high, they said, in making the case for a 90 percent reduction in
advertising — ignoring data suggesting that **40 percent** of the remaining uninsured are unaware of the marketplace and its enrollment period.

The Trump administration plans to penalize in-person enrollment groups that have fallen below their sign-up goals. It will not, however, reward those that have exceeded expectations. “That is not part of the methodology,” one HHS official said.

Obamacare advocates have, for months, worried about subtle forms of sabotage that would be difficult to spot — not staffing the Healthcare.gov call center appropriately, for example, or not rushing to fix technical glitches on the website.

Most did not expect such a brazen and significant cut to the enrollment budget. They don’t expect Obamacare can keep up its enrollment numbers with such a significant budget cut.

“I see us either having to reduce staff or leverage funding somewhere else,” says Randal Serr, director of Take Care Utah. “It’s a pretty strange time for us.”

**The Trump administration is making policy choices that will reduce enrollment**

The Affordable Care Act requires the federal government to run a “navigator program,” that provides grants to local nonprofits and health care organizations to increase awareness of the law, enroll consumers in coverage, and troubleshoot issues they have with their new coverage.

The Obama administration had given the program between $60 and $67 million annually over last four years. The Trump administration will provide $36 million next year, a 41 percent cut.

The navigator program cuts will likely hurt the most vulnerable Obamacare enrollees, those who needed extra assistance to become enrolled in coverage. The Kaiser Family Foundation **estimates** that 79 percent of Obamacare enrollees who sign up with in-person help do so because they “lack confidence to apply on their own.” Seventy-seven person say they need help understanding plan choices, and 31 percent lack internet service at home.
Figure 3

Reasons Consumers Sought Help, 2014 - 2016

Share of Assister Programs reporting “most” or “all or nearly all” consumers sought help for the following reasons:

Lacked confidence to apply on their own 79% 79% 80%
Help understanding plan choices 77% 82% 83%
*Limited understanding of ACA 68% 76% 87%
*Help renewing coverage 42% 52%
*Income/household questions 47% 51% 61%
Medicaid-related questions 42% 44% 49%
Lack internet at home 31% 35% 41%
*Technical problem with website 26% 38% 65%
Needed translation services 17% 18% 18%

* Reasons that have statistically significant changes between 2014 to 2016.


One navigator program I covered recently, in Detroit, focuses on signing up Arab-American refugees who face language barriers while attempting to enroll in coverage — and, in many cases, are unaware the Affordable Care Act even existed.

Another, in Kentucky, works with populations that are often enrolling in coverage for the first time.

Trump officials explained that they will use “enrollment targets” that each navigator group set for themselves to distribute the funding cuts. A navigator group that only signed up 40 percent of its enrollment target, for example, will only receive 40 percent of last year’s funding. This will cut the program’s funding by an estimated $23 million.

These enrollment targets are a suspicious metric to use for budgets. For one thing, they are set by the navigators themselves. This means that a group that lowballed their estimates is rewarded — while a nonprofit that set an ambitious goal gets penalized. These
two groups might have done equally good work signing people up for coverage; the only difference is where they set their goals.

Navigators say the Obama administration repeatedly encouraged them to set high goals as a motivator. They had no idea these numbers would become part of the funding scheme.

“CMS was telling us set high goals and even if you don’t hit those goals, we want to aim to help as many people as possible,” says Serr from Utah.

In-person enrollments are only one part of the navigator program’s mission. Much of the group’s time is spent answering questions over the phone, attending community events to raise awareness, and helping new enrollees understand their coverage after they sign up.

The Palmetto Project in South Carolina, for example, operates in a largely rural area of the state that had low rates of insurance before the health law started. The group has directly signed 1,900 people up for marketplace coverage this year — but has also answered 24,000 inquiries about health law coverage in the same time frame. It has signed up many Medicaid enrollees too, but Quenga’s understanding is that those enrollments will not be counted in the new funding formula.

“If our legal responsibility was simply to enroll, I might cave and be a bit more sympathetic,” says Quenga. “But we have five different responsibilities, and enrolling is only one of them. Outreach and education is a huge piece. You don’t get enrollments from teaching people to use their insurance.”

When asked why they selected this metric, a Health and Human Services official said, “for the upcoming enrollment period, we are making funding decisions based on the facts and the principle of accountability.”

Navigator groups have, for months now, said their grants would stay roughly the same in 2018, say Health and Human Services officials. They made plans based on those predictions: rented office space and started buying advertisements for the open
enrollment season, which begins on November 1. Now, they’re not sure if they can afford that spending.

“We’ve already started buying advertising, trying to sign contracts for the offices for our staff, we’re working with school superintendents to make flyers to go home with the kids in our districts,” says Kelly Allen, a navigator in West Virginia. “I don’t know if CMS has a good poker face or what.”

“We’ve been moving forward as if nothing was going to change because we didn’t have much of another option,” says Serr. “I see us either having to reduce staff or leverage new funding. It’s a strange time.”

**The sabotage effort is broad**

The Trump administration also announced on Thursday that it will cut spending on advertising by 90 percent, paring back the Obama administration’s $100 million budget to a paltry $10 million.

The type of advertising will change, too. The Obama administration often ran television and radio campaigns meant to reach a wide range of Americans who might consider purchasing coverage. The Trump administration has said it will focus on digital advertising, which is expected to take the form of reminder emails and texts to those who have already signed up for coverage.

Obama administration officials like Lori Lodes, who previously ran health law outreach, said that television ads were the most effective way to run Obamacare outreach — and that the Trump administration has zeroed out that budget.

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*Lori Lodes* @loril 31 Aug

Replying to @loril

Now, let’s talk about outreach and paid media...and the boneheaded decision to cut it to $10 million.

In any case, $10 million is a very small number — especially when the administration is also putting out ads criticizing the Affordable Care Act, too.

To put it in context, California is planning to spend $111.5 million on advertising in its state alone. The federal government will spend one-tenth of that in the 34 states where it runs the state health insurance marketplace. Trump had already spent twice as much on his own private travel by April of this year.

HHS administration officials claimed they made this change because public awareness of the health care law is high, which means less advertising is needed.

“People are aware of Obamacare and the exchanges, they are aware they can sign up,” an HHS official said. “The Obama administration doubled spending on advertising and saw a 5 percent decline in enrollment. Despite a doubled budget, there are diminishing returns.”

The decline in health law enrollment, however, occurred in late January, around the moment the Trump administration abruptly canceled $5 million in advertisements after taking office.

When pressed by a reporter, officials said they had not done any studies of the efficacy of enrollment advertising or whether public awareness is indeed quite high.

“We haven’t done a specific study related to the public awareness of the program,” the third HHS official said. “I think most Americans are aware of the program at this point in time.”

The research that has been done, however, suggests that public awareness of the health care law is not especially high among the uninsured — and that advertising does work to increase it.
A Commonwealth Fund study from last year found that 38 percent of Americans who remain uninsured are unaware of the health law marketplaces. That number has declined slowly, year over year, but certainly has a way to go before all Americans are “aware they can sign up.”

**Awareness of the health insurance marketplaces**

More than six of 10 American adults who are uninsured are aware of the new marketplaces where they can shop for health plans.

**Percent who are aware of marketplaces,**

![Graph showing awareness of marketplaces](https://assets. vox.com/2017/3/21/15191986/marketplace-awareness-chart-2017-03-21-640x480.png)

Uninsured adults ages 19–64

The Commonwealth Fund

There is not a large body of research on Affordable Care Act advertising, but what has been done correlates more advertising with higher sign-up rates. A 2017 study published in the journal Health Affairs shows that “counties exposed to higher volumes of local insurance advertisements during the first open enrollment period experienced larger reductions in their uninsurance rates than other counties.”

Trump administration officials said that this new $10 million budget would bring Obamacare’s advertising spending in line with what the agency puts toward the Medicare program. But that doesn’t make much sense: Medicare is a program that has been around for 60 years, one that is well-established. Obamacare has been around for five.
The Trump administration will advertise Obamacare less — and give enrollees a shorter time frame for enrollment. Unlike last year, where open enrollment ran from November 1 through January 31, this year’s open enrollment period will start November 1 and end December 15. Enrollees will get 45 days to sign up for coverage instead of 90.

“The shorter open enrollment is one of my bigger concerns,” says Jodi Ray, director of Florida Covering Kids and Families, which runs the state’s largest navigator grant. “That’s going to surprise a lot of our customers. We’re reaching out to people, we’re calling anyone who has contact with our project over the past few years, to let them know.”

**These changes hurt two groups of Obamacare enrollees**

A shorter open enrollment period coupled with less advertising and less in-person support will near certainly lead to fewer people signing up for Obamacare.

The people most likely left behind fall into two categories: Obamacare’s healthy enrollees and its most vulnerable.

Experts expect that people who really need health insurance — those with expensive medical conditions — will make sure they enroll in coverage. These are the consumers who are likely to check open enrollment dates and remember to sign up in time.

Research from Yale health economist Amanda Kowalski has found that states that had significant technical glitches during the health law’s first open enrollment period ended up with a sicker set of Obamacare enrollees, suggesting that that population was more persistent in seeking coverage.

A sicker Obamacare enrollee population will drive up premiums for anyone who wants to sign up for coverage in the future. In 2019, you’d expect insurance companies to set higher premiums to account for those higher medical bills.
But there are some Obamacare enrollees with significant health care needs who won’t sign up for coverage. These are the vulnerable populations that rely on in-person Obamacare assistance, the program that will lose 40 percent of its budget next year.

This might be the refugee I profiled in Detroit, who doesn’t speak English well enough to navigate the health care system. She relies on her health coverage for multiple medical conditions, some the result of trauma endured before immigrating to the US from Iraq.

It might include the 20-year-old dishwasher I met in Kentucky who relies on his health law coverage to get prescriptions for his ADHD — who only found out that he was eligible for a plan because the local outreach group held an enrollment event at the restaurant where he works.

The result of less Obamacare outreach and advertising is leaving behind these two populations: a healthy population that makes the marketplace work, and a sicker population that doesn’t necessarily know how to navigate the system without help.

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