

Americans will have an extra six weeks to buy health coverage before facing penalty

By [Sandhya Somashekhar](#), [Amy Goldstein](#) and [Juliet Eilperin](#), Published: October 23

The Obama administration said Wednesday night that it will give Americans who buy health insurance through the new online marketplaces an extra six weeks to obtain coverage before they incur a penalty.

The announcement means that those who buy coverage through the exchange will have until March 31 to sign up for a plan, according to an official with the Department of Health and Human Services.

Administration officials said that the rejiggered deadline is unrelated to the many [technical problems](#) that have emerged with the Web site, HealthCare.gov, in its first three weeks. Instead, they said, it is designed to clear up a timing confusion about the 2010 law, which for the first time requires most Americans to buy health coverage or face a penalty.

Under the law, health plans available through the new federal or state marketplaces will start Jan. 1, but the open enrollment period runs through the end of March. The law also says that people will be fined only if they do not have coverage for three months in a row. The question has been this: Do people need to be covered by March 31, or merely to have signed up by then, given that insurance policies have a brief lag before they take effect?

The administration made clear Wednesday night that people who buy coverage at any point during the open enrollment period will not pay a penalty.

It is the latest sign that the health-care law remains a moving target, even after the launch of the federal insurance marketplace, which has faced myriad problems that have frustrated many people trying to sign up for coverage.

Contractors and others have begun assigning blame for the Web site troubles, and the fault-finding will get its first extensive public airing Thursday, when four of the contractors involved in the project will testify before the House Energy and Commerce Committee.

In the [written testimony](#) submitted to the panel in advance, CGI Federal, the main contractor on the project, takes partial blame for the site's shortcomings. But it also notes that the Centers for Medicare and Medicaid

Services (CMS), an agency within HHS, was the “ultimate responsible party for the end-to-end performance” of the site. And it blames a piece created by another contractor, Quality Software Services (QSSI), for creating the initial bottleneck.

QSSI built part of the online registration system that crashed shortly after the Oct. 1 launch and locked out many people for days. In a statement, the company counters that it was not the only one responsible for the registration system, which is now working.

“There are a number of other components to the registration system, all of which must work together seamlessly to ensure registration,” said Matt Stearns, a spokesman for UnitedHealth Group, the parent company for QSSI. “The [QSSI-built] tool has been working well for weeks.”

But both contractors are likely to be taken to task by Republican and Democratic committee members. They were among the vendors who testified at a Sept. 10 Energy and Commerce Committee hearing that their parts of the project were moving along well, and that the Web site would be ready Oct. 1. Those assurances are likely to be questioned Thursday.

The hearing is the first of many planned by Republicans, who are expected not only to question the contractors but also to examine the administration’s management of the project. Some Republicans have called for the ouster of HHS Secretary Kathleen Sebelius, who is scheduled to appear before the panel next Wednesday.

President Obama and his deputies have given no indication that they are considering replacing Sebelius. White House press secretary Jay Carney has consistently defended her, and officials have been focusing on fixing the site rather than assessing blame for its defects.

The administration, however, has sought to assure jittery business leaders and insurers that can fix the enrollment system. On Tuesday, Vice President Biden told business supporters in a conference call that the nation’s best technology minds were working on the site and urged them to “stick with us.” And on Wednesday, top Obama advisers met with insurance executives to discuss system repairs.

CMS had enormous responsibility, and was charged with ensuring that there would be a mechanism for millions of Americans to easily sign up for coverage in time for some of the law’s main benefits to begin Jan. 1. Officials have said ease of signing up is critical to the administration meeting its goal of getting 7 million uninsured people — many of them young and healthy — to sign up.

But the agency assumed an outsize role in the management of the project, coordinating the activities of 55 contractors rather than hiring a separate firm to serve as a systems integrator. That is likely to be a key issue during Thursday’s hearing.

People familiar with the project have said the time frame was too tight for adequate testing, which one source said would have highlighted the problems.

There also have been inconsistencies about how and when the decision was made to scrap a key feature of the Web site, with QSSI telling congressional investigators that it did not know about the major change until the site’s launch. But in the written testimony the company plans to deliver Thursday, it says it found out shortly before the rollout date.

Republicans have been eager to learn more about how and when the decision was made to end that feature. The

feature would have allowed people to browse plans and rates before signing up for an account. Technology experts have said the last-minute decision to stop it put too much pressure on a different tool that was set up to handle a small number of simultaneous users, crashing the site.

People familiar with the project give conflicting accounts of the reason for the move. The decision was made at a two-day meeting in late September to which CMS invited all its major contractors. According to one person familiar with the project, CGI gave a presentation that convinced CMS officials that the shopping feature was not ready.

Another person close to the project had a slightly different account, saying that CGI believed that the feature was, in fact, ready.

Republican lawmakers have alleged that the administration made the change to hide the cost of insurance plans from consumers.

“Evidence is mounting that political considerations motivated the decision,” said a letter sent to two administration officials Tuesday from members of the House Oversight and Government Reform Committee, including Chairman Darrell Issa (R-Calif.).

Lena H. Sun, Ed O’Keefe and Tom Hamburger contributed to this report.