'You deserve better'
Obama offers fix for canceled health insurance plans

Maggie Fox NBC News

Saying "we did fumble the ball," President Barack Obama announced a fix to the vexing problem of canceled health insurance policies Thursday. He told insurers they don’t have to cancel plans next year just because of the Affordable Care Act.

Insurers can continue the plans for 2014 on two conditions — they have to tell people what their plans don’t cover, and they have to let people know they do have the option of going onto the health insurance exchanges to buy new plans with federal government subsidies and perhaps go onto Medicaid.

"Insurers can extend current plans that otherwise would have been canceled in 2014," Obama said. He also apologized for the messy rollout of the health insurance exchanges. "We should have done a better job of getting this right on Day One," Obama told an hour-long White House news conference. "We did fumble the ball on it and one of the things I am going to do is make sure we get it fixed."

Critics of the health reform law, known widely as Obamacare, have made hay with reports that tens of thousands of people have been getting cancellation notices from their insurance companies, despite Obama’s repeated promises that people who like their insurance plans can keep them. NBC News first reported that the White House knew the cancellations were coming.

"This is something I deeply regret because it’s scary getting a cancellation notice," Obama said at the news conference. "It’s on me. Those who got cancellation notices do deserve better and they received an apology from me. But they deserve more than words."

One main goal of Obamacare was to get rid of what the White House says are the worst abuses of the insurance industry -- caps on coverage, policies that charged women three to five times what a similar man was charged, policies that didn't pay for cancer screening.
Some of the policies that have been canceled were very inexpensive, part of the reason for the outrage. But insurance and health industry experts say it’s because they were so bare-bones, they wouldn’t have paid for much if they were ever needed. The White House keeps stressing that the new rules level the playing field a little bit, and offer most people much more in terms of coverage.

"A lot of people think, 'I've got pretty good health insurance', until they get sick," Obama said. "If you received one of those letters, I encourage you to look at the marketplace."

Health and Human Services Secretary Kathleen Sebelius has also pointed out that the policies being canceled are mostly individual policies, not the big group policies offered by employers that cover most Americans. Those policies often change every year anyway, HHS says.

According to America’s Health Insurance Plans, the industry’s group, 19 million Americans have individual plans.

Democrats who support the law have been pushing the White House to come up with some way to fix the problem. Health officials point out it’s a very small percentage of people who are actually affected by the cancellations, but the political and public relations damage has been extensive.

Obama eventually apologized in an exclusive NBC news interview last week. He apologized again Thursday for the disastrous debut of the HealthCare.gov website.

"I was not informed directly that the website would not be working the way it was supposed to," he said. "I get accused of a lot of things but I don't think I am stupid enough to go around saying this is going to be like shopping on Amazon or Travelocity a week before the website opens if I thought that it wasn't going to work."

"Clearly we and I did not have enough awareness about the problems on the website, even a week into it," he added.

The Health and Human Services Department released figures that show only 26,000 people got on the federally run website in October, the first month the exchanges were open. But more than 75,000 more got on using state-run websites, and more than 26 million have at least gone online to have a look.

Tech officials blamed poor management and analysts said the site’s failure was a new political low for the administration.
The new plan announced by Obama gets out in front of a Republican-crafted plan that was due to come up in Congress Friday. House minority leader Nancy Pelosi called that GOP proposal "a very dangerous bill" that is "completely disruptive" to the insurance pools, characterizing it as simply another Republican attempt to gut – not repair – the underlying health care law.

House Speaker John Boehner rejected Obama's plan. "True to form, it appears this is little more than a political response designed to shift blame rather than solve the problem," Boehner, an Ohio Republican, said. "This problem cannot be papered over by another ream of Washington regulations. Americans losing their coverage because of the president's health care law need clear, unambiguous legislation that guarantees the plan they have and like will still be allowed. That's why the House will be voting on the Keep Your Health Plan Act tomorrow, and the president should support it."

Pelosi said Democrats will try to present their own idea for a vote on Friday to complement Obama's "administrative" approach. "We are in agreement. We must have a fix, and we will," she said.

Health insurance companies expressed concern about Obama's proposal. "Changing the rules after health plans have already met the requirements of the law could destabilize the market and result in higher premiums for consumers," Karen Ignagni, CEO of America's Health Insurance Plans, said in a statement.

"Premiums have already been set for next year based on an assumption of when consumers will be transitioning to the new marketplace. If now fewer younger and healthier people choose to purchase coverage in the exchange, premiums will increase and there will be fewer choices for consumers. Additional steps must be taken to stabilize the marketplace and mitigate the adverse impact on consumers."

One fear is that if too many people are allowed to keep their older, cheap policies, they won't join the pool of people buying on the exchanges – and that'll drive up prices next year for everyone else. The more healthy people are in the pool buying policies, the more they offset the sicker people, and the less insurance companies can charge everyone. White House officials said they'll watch and see what happens in the next year, and tweak as necessary.

Price is the main concern of most Americans when it comes to buying insurance, and the administration is keen to be able to say Obamacare is keeping prices low.

_Carrie Dann and Mike O'Brien contributed to this story_