

## Healthcare Services

### HHS Clears the Air – Open Enrollment Will Begin on Oct 1 - ALERT

- In response to our note this morning on the potential for a delay in when beneficiaries can sign up for coverage on health exchanges, HHS has vigorously reiterated that open enrollment will begin on October 1, as scheduled. Additional conversations with more Washington and industry sources have clarified that the delay uncertainty appears to be focused specifically on the ability to complete enrollment in exchanges via the web. But it is apparent that regardless of timing on full web enrollment capabilities, HHS expects to allow individuals to enroll via call centers or with in-person help from Navigators and other assisters, which is a key distinction versus our previous note from this morning. And as we noted earlier today, individuals will still be able to go to the web on Oct 1 for plan pricing and other benefit information. Today's commentary makes it clear that the administration is extremely intent upon delivering open enrollment on federal exchanges for Oct 1.
- While this uncertainty could leave more modest enrollment growth in the early weeks of open enrollment, this potential ramp certainly appears to be discounted by the market given what seems to be significantly lower expectations from investors versus the CBO's estimate of 5m previously uninsured getting coverage on individual exchanges in 2014 (7m in total).
- We now anticipate the worst case is similar to the soft launch planned in Oregon ([link](#)), where people can enroll with the help of a broker or other official aide starting on Oct 1 but will have to wait a few weeks to enroll on their own directly on the web, allowing time to debug the IT system and not overload it. A similar situation for federal exchanges would not have any real impact to numbers as long as full functionality is achieved later in the year ahead of the Jan 1 start of coverage. And again, if there were any meaningful impact to enrollment, we expect the administration may consider extending the open enrollment window beyond March 31, 2014.
- We note that written testimony ([link](#)) from Gary Cohen, the head of the HHS office overseeing the exchanges, posted ahead of a hearing tomorrow morning on open enrollment before the House Energy & Commerce Committee discusses the ability of individuals to get plan information on the web and get assistance applying via Navigators, call centers and other official assisters starting on Oct 1 but does not directly indicate whether or not individuals will be able to fully complete the enrollment process on their own via government website on Oct 1 – although this is inconclusive at best.

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