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The Standard & Poor's 500-stock index fell nearly 20 percent, and Standard & Poor's lowered the U.S. credit rating. The GOP also risks losing the political support of businessmen such as Gentle, who have traditionally been a pillar of the party establishment. "When talk of a shutdown first began, the perception among businesspeople I know was that this was just Washington being Washington again," Gentle says. "Now they're saying, 'This is really getting in the way of operating my business.' The business world is hard enough without Republicans making it ever more difficult. It's just ridiculous." —Joshua Green

The bottom line Business owners and GOP-friendly donors like the Chamber of Commerce are losing patience with the shutdown.

Insurance

Obamacare: The User Experience

What's it like to shop for coverage on the new health-care marketplace

"An insurance company would never have launched at this point"

The Affordable Care Act is different things to different people: It's a landmark law that will improve the lives of millions of Americans. Or it's the single greatest usurpation of liberty ever. It's now also a website. Many of the 7 million uninsured people expected to seek coverage under the law this year will form their first—and lasting—impressions of Obamacare when they go online to pick a plan from the state and federal health insurance marketplaces, or exchanges, that opened on Oct. 1. That means a lot is riding on how well those sites treat them. The ACA has survived dozens of Republican attempts to unravel it, a presidential election in part about repealing it, and a Supreme Court challenge to nullify it. But the surest way to failure is if Americans have a crummy experience when they try to sign up for it.

The people behind state and federal efforts to build the health websites know this. "Ease of use was a core value from the beginning," says Curt Kwak, the chief information officer for Washington State's health-care exchange. "Everything from the color schemes to the way the site flows was meant to make things very simple.

Making the process of choosing a health insurance plan simple, let alone pleasant, is not easy. And President Obama hasn't exactly lowered expectations. In a press conference on Oct. 1, he said people will be able to shop for a health plan on the exchanges "the same way you'd order a plane ticket on Kayak or a TV on Amazon."

Things didn't go quite that smoothly on opening day. The sites were overwhelmed with traffic—New York's exchange received approximately 2 million visits in its first 90 minutes online; California recorded more than 5 million in its first day. Many visitors, if they were able to access the sites at all, were greeted with a friendly message telling them to come back later. This followed weeks of news that glitches in the system meant functions and databases on various sites would be unavailable on launch day. Some glitches were no doubt the result of the wait-and-hurry-up timetable the sites' designers had to abide by. States knew in 2010 that they'd need to build exchanges—or let the federal government do it for them. (As of Oct. 1, 14 states have their own exchanges; 36 have left the federal government to build all or part of theirs.) But the Obama administration didn't give states a lot of the information they needed to complete the sites until much later. "Many of the regulations came out in December—after the election," says Robert Laszewski, president of the consulting firm Health Policy & Strategy Associates. State agencies and the design companies they hired had less than a year to develop massively complex sites, leaving little time for beta testing. "An insurance company would never have launched at this point," Laszewski says.

While they waited for the White House to release the details, designers sketching plans for the exchanges got together to figure out a set of common elements they could all share. They called their group Enroll UX 2014. "UX" is web speak for "user experience," a discipline in Web development that focuses on a site's simplicity and usability. Enroll UX 2014 was funded by national and state health foundations, including the California HealthCare Foundation, the Robert Wood Johnson
Foundation, and Kaiser Permanente. The federal government also collaborated with the group, which was led by design firm IDEO. The company has deep roots in health care but is better known for designing Apple's first mouse and Crest's stand-up toothpaste tube.

Staffers from the U.S. Department of Health and Human Services, as well as state health officials and employees of health-care think tanks, met regularly over a 14-month period. They conducted focus groups with families around the country to find out what confused and frustrated people most when dealing with the health-care industrial complex. The group's prototype site focused on clarity of navigation and the approachability of the text. Things like: "Does your spouse have prescription medications that you want covered by the health plan?" instead of "List all prescription medications eligible for coverage."

The exchanges shared another common threat: How to make a site that works for elderly and poor Americans for whom health insurance and the Web are unfamiliar. "We worked very hard to get the foundational pieces in place," says Michael Marchand, the director of communications for Washington State's health-care exchange. "We tagged definitions to a lot of the language on the site so people who'd never interacted with insurance before could understand what a premium and a co-pay were."

States could take or leave UX 2014's suggestions. "In terms of the actual look and feel and branding, each state has pursued a different strategy and tone," says Anne Gauthier of the National Academy for State Health Policy. Washington State wanted a more welcoming vibe. "UX 2014 was very structured but not as warm and friendly as we thought we wanted for the people of our state," Marchand says. Which makes sense, as the prototype was more generic than many of the state-run sites. Washington's exchange features soothing photos of Mount Rainier, as well as more functional touches, such as links to information in Vietnamese, Laotian, and Cambodian to help the state's sizable Southeast Asian population.

A tour of the various state and federal exchanges shows the diversity of the approaches. I explored several of the sites with Lori Hoffman and Chris Fahey, user-experience experts at Barbarian Group and Big Spaceship, respectively, two New York-based digital ad agencies.

No matter where they live, uninsured Americans can start their search for a health plan at the federal government's site, healthcare.gov. Those from a state running its own health exchange will be directed to their home state's website. Everyone else picks a plan from the federal site. "Of all the sites," says Hoffman, "healthcare.gov was the best user experience." Fahey praised its uncluttered look and straightforward wording as being much friendlier than the state-run sites. "This is not a small thing," he says. "Consumer sites have known for a long time that something as little as the color of a button can lead to big changes in user behavior, so the fact that healthcare.gov does a good job with this is significant." Hoffman also liked how the federal site was organized. "Everything's basically divided into two categories—either I'm looking for information or I'm ready to enroll," she says. "That means I have only two decisions."

Some of the state exchanges didn't fare as well. Both experts had choice words for New York's site, ny.stateofhealth.ny.gov, which has a cluttered look. "It's not as simple as the federal site," says Hoffman. "Before, I only had two options, now I'm getting smashed with everything at once."

Fahey found it dated and dusty-looking. "They have a calculator you can use to estimate your monthly cost, and you click on it, and it's a downloadable Excel spreadsheet!" he says. "That's like what a bad HR department would supply for an employee manual on some old corporate intranet, not what you should find on a consumer site."

New York—like other state exchanges—offers in-person or online help. Fahey dings this as a tacit admission of failure. "If you need to provide training and assistance to use a site, then that site is probably too hard to use."

The health exchanges are all works in progress, and there will be plenty of changes and debugging as millions of visitors reveal their shortcomings, Gauthier says. "There's always a new version that works the kinks out."

Fahey says the state sites and even the federal one have a way to go before they meet Obama's goal of an Amazon-like
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experience. A successful exchange "should be like TurboTax, not the IRS," he says. Washington State’s Marchand couldn't agree more. "The best compliment I’ve heard," he says, "is that our site doesn’t look like something from the government." —Sam Grobart

The bottom line Depending on where you live, buying Obamacare coverage can be pleasant (Washington State) or not (New York).

Health Reform

Fighting the Health-Care Law’s 30-Hour Rule

Fast-food chains lobby to change how Obamacare defines “full-time”

"I would have to adjust hours so most of them work...less"

The Obama administration’s decision to postpone the Affordable Care Act’s employer mandate until 2015 means thousands of U.S. businesses have an extra year to figure out how not to run afoul of the law. The fast-food industry is thinking of the delay a little differently. Hundreds of executives are using the time to visit lawmakers on Capitol Hill and explain their complaint with the mandate.

Obamacare defines a full-time worker as anyone averaging at least 30 hours a week on the job, and the law says any company with more than 50 such employees has to offer health benefits. Almost 21 percent of restaurant employees work 30 to 36 hours a week, more than twice the 8.9 percent rate across all industries, according to data on companies with 100 or more employees from the University of California at Berkeley’s Center for Labor Research and Education. For that reason, restaurant owners argue the employer mandate disproportionately affects their industry, where profit margins of 3 percent to 5 percent are low to begin with. They want Congress to nix the 30-hour rule.

Restaurant executives say they could dig into margins to cover the cost of insuring workers—but that would curb growth. Alternatively, they could simply cut workers’ hours to stay under the 30-hour threshold. Don Fox, chief executive officer of Firehouse Subs, the fastest-growing restaurant chain in the U.S., says he’s sure Obamacare-related cost pressures will put a damper on plans for opening sandwich shops. “It is not a matter of if it will slow them down,” Fox says of the law. “It is simply a matter of degree.”

Fox estimates the mandate will cost the Florida-based company, which has more than 660 stores, about $4,000 per location in the first year. He doesn’t plan to cut hours. Raising menu prices is an option, although an unpopular one for customers, he says. As long as the cost of the program doesn’t exceed projections, he says he’ll see whether competitors raise their prices before making a decision.

Like many employers, Fox is betting that not all of his newly eligible workers will buy the insurance the first year of the employer mandate. That’s because some employees will already have coverage—perhaps under a parent’s health plan if they’re under 26. Or they might elect to pay the penalty levied under the individual mandate on the uninsured, if that penalty is cheaper than paying for coverage through their jobs. The fast-food industry says this will keep down costs in the short term. But restaurant owners largely expect the share of workers who buy insurance from them to rise as the penalty increases per adult from $325 in 2015 to $695 in 2016.

Aeds Hashim, CEO of NRD Holdings, an Atlanta-based franchisee with 28 restaurants, says about 150 of his employees would qualify for the new Obamacare benefits. He expects only 20 percent will opt for the insurance initially, at a cost to him of about $4,000

How Firehouse Subs Slices and Dices Obamacare

A typical Firehouse Subs store has $600,000 in yearly sales and pretax profits of $63,655.

Most will have three workers eligible for Obamacare coverage. One is expected to sign up initially, costing $4,000 per restaurant.

As penalties for being uninsured rise, Firehouse expects all will want coverage; the cost could eat up 18 percent of profits. The company may raise prices.

There is a significant difference between a $4,000 exposure and $12,000.

Aeds CEO Dave Fox