

# Hawaii's \$205 Million Obamacare Exchange Implodes



Posted by [Alexander Hendrie](#) on Tuesday, May 12th, 2015, 5:17 PM [PERMALINK](#)

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Despite over \$205 million in federal taxpayer funding, Hawaii's Obamacare exchange website will **soon shut down**. Since its implementation, the exchange has somehow failed to become financially viable because of lower than expected Obamacare enrollment figures. With the state legislature rejecting a \$28 million bailout, the website will now be unable to operate past this year.

According to the [Honolulu Star-Advertiser](#) the Hawaii Health Connector will stop taking new enrollees on Friday and plans to begin migrating to the federally run Healthcare.gov. Outreach services will end by May 31, all technology will be transferred to the state by September 30, and its workforce will be eliminated by February 28.

While the exchange has struggled since its creation, it is not for lack of funding. Since 2011 Hawaii has received a total of **\$205,342,270** in federal grant money from the [Department of Health and Human Services \(HHS\)](#). In total, HHS provided nearly \$4.5 billion to Hawaii and other state exchanges, with little federal oversight and virtually no strings attached.

Despite this generous funding, the exchange has underperformed from day one. In its first year, Hawaii enrolled only 8,592 individuals – meaning it spent \$23,899 on its website for each individual enrolled. Currently over 37,000 individuals are enrolled in Hawaii's exchange – well below the estimated 70,000 enrollees that is required to make the website financially viable. Unfortunately, taxpayers will have to hand out an **additional \$30 million** so that Hawaii can migrate to the federal system.

This is not the first time that a state exchange has failed, and taken millions of dollars in federal funds down with it. Earlier this year, Oregon's state exchange was officially abolished at an estimated cost of \$41 million. Cover Oregon, as it used to be known received \$305 million in funds from HHS but failed to produce a workable website months after the 2013 November deadline. The debacle has prompted numerous federal agencies and organizations to investigate [allegations of inappropriate political](#) interference from then Governor Kitzhaber's 2014 reelection campaign.

Hawaii now joins Oregon, Massachusetts, Maryland, Vermont, New Mexico, and Nevada as **cautionary tales** in government central planning. With so many failed state exchanges, questions need to be asked about the haphazard allocation of billions of dollars in taxpayer funds and the complete lack of oversight.

Photo Credit: Charles Fettingner

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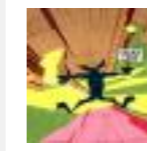
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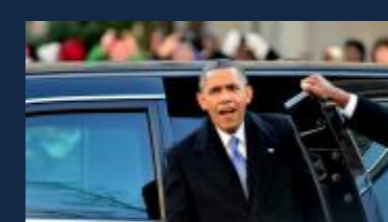
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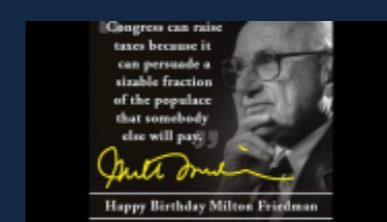
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