

Cover Oregon's Woes Growing

Portland, Oregon television station **KATU** and **OregonLive** — **The Oregonian** newspaper website — are the source of This story.

Cover Oregon — the state's Affordable Care Act (ACA) health insurance exchange — is the only exchange in the country that cannot enroll citizens as originally envisioned. Pressure is mounting from inside and outside Oregon government to get the exchange working and to find out what went wrong and why.

Adding to the intrigue is a push by former Oregon Rep. Patrick Sheehan of Clackamas. Over a year ago in December of 2012 Sheehan — a Republican — asked the FBI to investigate the site organizers for fraud.

What allegedly happened is complicated. At the center of the issue is Carolyn Lawson. She was the chief information officer and IT person tasked with overseeing the Cover Oregon project.

Cover Oregon is funded from a \$48 million federal grant.



Patrick Sheehan

Neither the FBI nor Oregon Health Authority Director Bruce Goldberg who is now running Cover Oregon or Oregon Health Authority Acting Director Tina Edlund will comment on the allegations.

Oregon Governor John Kitzhaber has hired an independent consultant — First Data — to investigate what happened and his office says neither he nor Cover Oregon have been contacted by law enforcement. The governor — when criticized for intentionally rolling out a failed system — said he was repeatedly assured by Cover Oregon officials that all was well with the design and implementation.

“What possible motivation could I have to knowingly roll out a website that was going to fail? Clearly, there’s a disconnect, and I’m not going to know what happened until we get an external, independent review,” the governor said.

The question at the center of Sheehan’s request is how Lawson was able to get a failing project to pass a federal review with the Centers for Medicare & Medicaid Services while requesting even more federal money. Lawson — according to a report from **The Oregonian** — told the federal government that Cover Oregon was on target and working perfectly. “Oregon is an exception to the typical Gate Review process because the Exchange is so advanced in its IT build. To date the Exchange has implemented major portions.”



Reality — it turns out — is a much different picture. Nothing was working.

Internal emails from Lawson and other Oregon officials — including one to the former head of Cover Oregon, Rocky King — show the system failing. “The truth is we have been bleeding money. ... We are going through some pain now because we are doing some of what should have been done in the beginning, i.e. standing up our own project structure. It is late in the game to do that, but it (can) be done and we will run out of money if we don't,” Lawson wrote.



Carolyn Lawson

She has since resigned.

“I'm not a lawyer and I can't definitively say it [what Lawson and others did] was criminal. But I believe that if it's true, it was fraud, and it was fraud used to gain the next phase of federal funding. I have no way of substantiating this and that's why I sent it to the FBI,” Sheehan said.

Senate Republicans are all over the controversy. Sen. Ted Ferrioli — a John Day, Oregon Republican and the Senate's Republican Leader — is demanding that Lawson be part of Kitzhaber and First Data's investigation.

And she is not.

“Citizens deserve a full accounting of why Cover Oregon is one of the most dysfunctional health exchanges in the country. There are too many questions about the money, relationships and chronic failure of leadership, and many of those questions can only be answered by Mrs. Lawson,” Ferrioli said.

The Republican leader said Cover Oregon has spent \$200 million and has yet to enroll anyone.

Source: *KATU television, OregonLive.com* — http://www.oregonlive.com/health/index.ssf/2014/02/former_lawmaker_reported_orego.html#incart_river