

Obama administration sent 800,000 HealthCare.gov customers incorrect tax forms

The Obama administration revealed Friday that it sent about 800,000 HealthCare.gov customers a tax form containing the wrong information, and asked them to hold off on filing their 2014 taxes.

The self-inflicted bungle follows weeks of administration officials touting a successful enrollment season -- one that saw far fewer technical glitches than the rocky launch in late 2013.

About 11.4 million people signed up this season. But the errors in tax information mean that nearly 1 million people may have to wait longer to get their tax refunds this year.

California, which is running its own insurance market, just announced a similar problem affecting about 100,000 people in that state.

But the administration is urging customers, that, "If your form was incorrect, please wait to file your 2014 Federal income taxes."

That's a hiccup for anyone trying to get their taxes filed early this year. And the 50,000 or so who already filed may have to resubmit their returns.

The error became fast fodder for ObamaCare critics. Rep. Diane Black, R-Tenn., said the administration has built a law so complex "that even they don't know how to properly administer it." She said: "This is beyond embarrassing for President Obama and is an unfair blow to taxpayers who are once again left holding the bag for this administration's incompetence."

The tax error highlights the complicated links between Obama's health care law and taxes, connections that consumers will experience for the first time this year as some who do not have insurance will be charged a penalty.

The errors disclosed Friday are in new forms that HealthCare.gov sent to millions of consumers receiving coverage through the federal insurance market that serves most states. Those forms, called 1095-As, are like a W-2 for health care. They provided a month-by-month accounting of the subsidies consumers received to help pay their premiums. That information is then used to make sure everybody got the right amount, not too much, or too little.

Andy Slavitt, a top administration official overseeing federal health insurance programs, said the administration is still investigating the root cause of the problem. Slavitt said it had to do with erroneous calculations of a "benchmark" premium that is used to help determine the amount of subsidies that individuals receive.

Slavitt said the administration started notifying the affected consumers Friday.

"We're not doing any victory laps," HealthCare.gov CEO Kevin Counihan told reporters.