



*An Affiliate of the
Center on Budget and Policy Priorities*
820 First Street NE, Suite 460
Washington, DC 20002
(202) 408-1080 Fax (202) 408-8173
www.dcfpi.org

Updated August 14, 2014

THE DISTRICT OF COLUMBIA'S HEALTHCARE ALLIANCE PROGRAM

The District of Columbia operates a local public health insurance program called the DC Healthcare Alliance (“Alliance”) that serves 14,500 low-income DC residents.¹ The program started in 2001 when the DC General Hospital closed and offers healthcare services for persons who are uninsured and not eligible for other public health insurance programs such as Medicaid or Medicare.² The Alliance operates similarly to DC’s Medicaid program, but with key differences in eligibility, benefits, and program funding.

This policy brief provides basic information on the District’s Alliance program and describes areas of future focus for the program: expanding access to health insurance, ending the six month recertification requirement, and preserving valuable healthcare services for vulnerable residents.

Eligible Population

The Alliance program provides healthcare to low-income District residents who have no other health insurance options. These are persons without private insurance who are not eligible for either Medicaid or Medicare. Unlike Medicaid, participants do not have to be U.S. citizens. They must prove DC residency, have an income below 200 percent of the federal poverty level (\$23,340 for a single person in 2014), and have limited savings and assets. The program largely serves undocumented immigrants, the elderly, and residents with complicated and expensive health needs.

Enrollment Trends

After years of increasing program enrollment, the DC Healthcare Alliance program recently experienced significant declines in membership. Enrollment grew steadily through 2009 to a peak of nearly 55,000 enrollees. Enrollment declined sharply in 2010, when about 32,000 Alliance participants were transferred by the District into DC’s Medicaid program due to expanded Medicaid eligibility under the federal

¹ As of February 2014. DHCF MCAC Report, June 18, 2014.

² For more information on the overall Medicaid program, see the Center for Budget and Policy Priorities Medicaid factsheet - <http://www.cbpp.org/files/policybasics-medicaid.pdf>

Affordable Care Act.³ Enrollment began a second period of decline in late 2011 when a new program rule required face-to-face eligibility renewal interviews every six months, instead of annually. For the past two years, enrollment has declined to less than 15,000 residents. (See **Figure 1**.)

Services Provided

The DC Healthcare Alliance covers a broad array of services, including preventive care, prescription drugs, dental services, immunizations, hospital care, and emergency care. Alliance patients do not pay co-payments for these services. Instead, doctors and hospitals are reimbursed by managed care organizations for the services they provide to Alliance participants.

However, these services are not as comprehensive as those provided under DC's Medicaid program. One notable distinction is the lack of coverage for mental health services. The Alliance health plan does not cover outpatient mental health services, although individuals with severe mental illness may obtain some services through the Department of Behavioral Health (assessments, outpatient therapy, medication, or specialty in-home services).⁴ Alliance beneficiaries with basic mental health needs —like anxiety, depression, or post-traumatic stress — have no avenue to receive treatment.⁵

Current Funding

Unlike Medicaid, in which the federal government pays for a share of the total costs, the Alliance is funded entirely with local dollars.

Approved fiscal year (FY) 2015 funding for the program is just over \$50 million, an increase of \$9.6 million from the approved FY 2014 budget of \$41 million. Because the increase is not related to growing enrollment, it is likely the result of higher utilization costs for the current program population. This suggests that Alliance membership includes a large number of older residents and others with serious and costly health problems. (See **Figure 2**.)

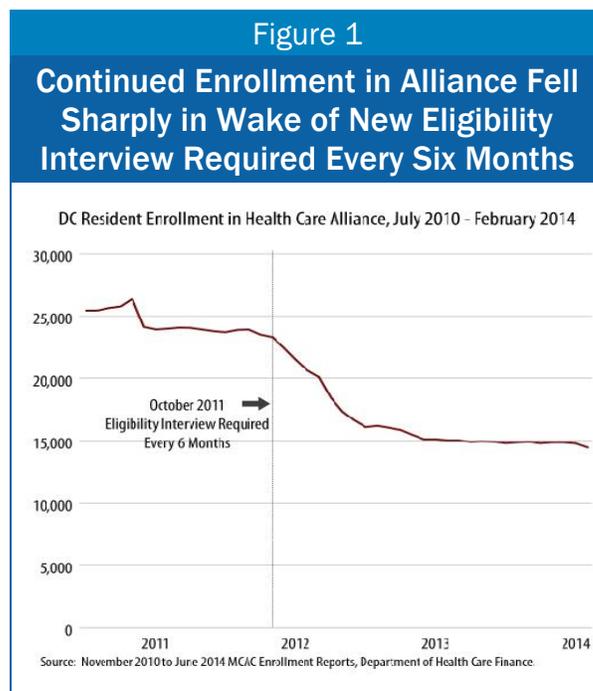
Future Focus: Expanding Access to Health Insurance

Expanding eligibility for Alliance services would help ensure that all DC residents have access to health coverage. Currently, the Alliance covers people with incomes up to 200 percent of the federal poverty line. Meanwhile, the Affordable Care Act created tax credits and subsidies to help cover the

³ For more information on the Affordable Care Act, visit <http://www.healthcare.gov>.

⁴ E-mail from Shannon Hall, Executive Director, D.C. Behavioral Health Association, July 9, 2014.

⁵ Ibid. E-mail from Shannon Hall.



costs of health plans for residents up to 400 percent of poverty, but not all residents can participate in the exchange. In particular, undocumented immigrants are excluded.

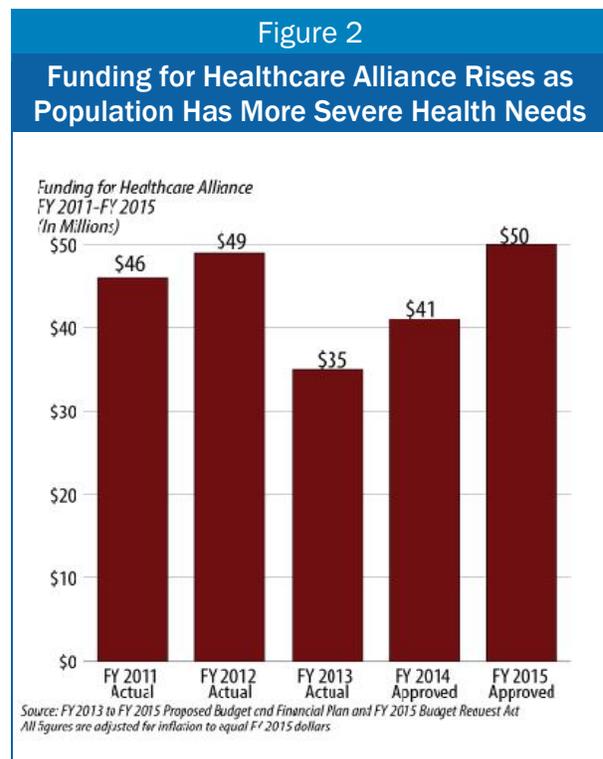
The District could expand the Alliance program to residents not eligible for DC Health Link, the District’s online health insurance. If funded, an expanded program would cost \$1.8 million and allow an estimated 1,029 people between 200 percent and 400 percent of the federal poverty line to purchase health insurance from the Alliance. Enrollees would receive similar financial help to that which is available to residents on DC Health Link — except that it would be locally funded.

Future Focus: Ending the 6-Month Recertification Requirement

Ending the six month recertification requirement would ensure that eligible enrollees receive the treatment that they need. The intent of the six-month recertification requirement was to discourage ineligible people from applying for the Alliance, but evidence from legal service providers and data analysis by the Department of Health Care Finance suggest that it is creating a barrier for *eligible* enrollees to maintain coverage under the program. Since January 2013, more than half of monthly Alliance re-certifications, or about 1,200 per month, were never completed.⁶ Moreover, wait-times for Alliance recipients seeking to re-certify at a service center are twice the wait-times for Medicaid recipients⁷ —reflecting the language and case-management needs of the Alliance population.

Future Focus: Program Preservation

Alliance serves a small and shrinking number of beneficiaries, yet provides critical health services to those with no other healthcare options. Furthermore, recent increases in program funding indicate that Alliance members have severe health needs. (See **Figure 2**.) Preserving the program with adequate funding ensures that the most vulnerable low-income DC residents can access adequate health services.



⁶ DC Department of Health Care Finance (DHCF) Budget Presentation for FY 2015, Presentation for the Medical Care Advisory Committee, April 2014, slide 38 of 42, <http://dhcf.dc.gov/publication/dhcf-fy15-budget-presentation> (accessed July 14, 2014).

⁷ Ibid. DHCF Budget Presentation for FY 2015, slide 39 of 42.