

**ATTACHMENT TO JUNE 21, 2010 LETTER OF
PRINCIPLES TO GUIDE IMPLEMENTATION OF
HEALTH CARE REFORM
IN THE DISTRICT OF COLUMBIA**

**PROPOSED BY
THE DISTRICT OF COLUMBIA HEALTH CARE
REFORM COALITION**

Principle 1

The District should have a coordinated policy development and implementation plan allowing for participation by all affected District agencies and critical public stakeholders.

Implementation of PPACA necessarily will involve a broad swath of District agencies and far reaching funding opportunities and policy decisions. This has been recognized by Councilmembers Catania and Bowser in the proposed B18-791, “Health Care Reform Implementation Advisory Board Establishment Act of 2010,” as well as by Mayor’s Order 2010-97, “Establishment – Mayor’s Health Reform Implementation Committee.”

B18-791 and Mayor’s Order 2010-97 are helpful first steps in making sure that all appropriate agencies are at the table, as many of our organizations have previously recommended, through the creation of an inter-agency taskforce.

We respectfully propose the following to improve both the legislation and Mayor’s Order.

Recommendation 1: The requirement for public involvement must be strengthened. Mayor’s Order 2010-97 provides for no public input. B 18-791 does allow for some public input but would require invitation of “[p]ublic members on an as needed basis by the Advisory Board.” This language would permit the Advisory Board to decide that no public input is needed, or to choose among providers and stakeholders. We recommend the addition of a requirement that at least two representatives of consumer and provider groups be represented on this Board.

There are other methods for improving public engagement in the policy development process. Currently, the Medical Care Advisory Committee (MCAC) provides a forum for discussions about the operations of the District’s health care system. Through this group, the Department of Health Care Finance can update the public about policy development and implementation and hear from the public about its concerns. We recommend that the Advisory Board or Committee be required to provide monthly updates to the public through MCAC and that the Department of Health Care Finance be required to bring issues raised at MCAC to the attention of the rest of the Advisory Board or Committee members for discussion. We also recommend that the Advisory Board or Committee be required to post any documents it produces on a District government website as another way to promote public engagement.

Recommendation 2: Representatives of other key agencies and subagencies must be included. While B 18-791 includes a wide variety of affected agencies, there are several key omissions. First it excludes the Department of Human Services (DHS), which Mayor’s Order 2010-97 rightly includes. Currently, DHS screens eligibility for the Medicaid and Alliance programs. Additionally, the agency can use information submitted for the purpose of establishing eligibility for these programs to ensure that individuals and families have access to other important benefits such as Food Stamps and TANF. Either DHS will continue to play this role once PPACA is implemented or it will be replaced by another gateway agency. In either case, DHS will continue to have an important role in determining eligibility for public benefits and must have a seat at the table to facilitate coordination between medical and other benefits.

Second, the Advisory Board or Committee should also require participation by the heads of the Department on Disability Services and the Department of Mental Health. These critical agencies

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provide health related services to tens of thousands of District residents with disabilities including mental illness. Long term care and a focus on community living for people with disabilities -- including through the Community First Choice Option and a new long term care insurance program -- are a major focus of health care reform. Additionally, as health care reform moves forward, it will be essential that access to mental health services be ensured in parity to physical health services. Participation by the Department of Mental Health and the Department on Disability Services will ensure that the funders and providers of these services have a voice in policy development and implementation.

Third, we also recommend the addition of several sub-agencies within the Department of Health, including HIV/AIDS Hepatitis, STD, Tuberculosis Administration (HAHSTA) and Addictions Prevention Recovery Administration (APRA). These agencies provide services to subpopulations with unique needs. In order to ensure that HIV/AIDS care and substance abuse treatment are embedded into a seamless system, the perspectives of these agencies will be critical.

Recommendation 3: The Advisory Board or Committee should be jointly chaired by the Department of Health Care Finance and the Department of Insurance, Securities and Banking. The Department of Health Care Finance has expertise in the District's public health insurance programs. Whatever policies are adopted to govern the Exchange will have to fit with these public programs. Therefore, it is essential that DHCF and DISB work together to ensure a unified system.

Principle 2

The District should ensure that no one loses coverage as a result of health care reform implementation and that all individuals can access quality, affordable health care safely.

PPACA gives the District – and the whole country – the opportunity to expand coverage for its residents. Given that the District is so far ahead of the rest of the country in providing coverage, the District must ensure that implementation of PPACA does not cause anyone to lose coverage or receive lesser coverage than is currently available.

To this end, we offer the following recommendations to achieve this goal.

Recommendation 1. Provide wrap around cost sharing assistance and benefits to ensure that no one loses coverage as a result of health care reform implementation. We are encouraged that the District has already decided to move tens of thousands of Alliance beneficiaries into Medicaid and offer them the full Medicaid package of benefits. As a result, these individuals will have access to additional covered services and prescription drugs.

If, in FY 2014, the District decides to move some of its Medicaid enrollees into the Exchange, the District should protect these individuals from loss of coverage that they previously had. . Therefore, we recommend that the District create mechanisms for cost sharing and premium assistance to low-income individuals who are enrolled in the Exchange to ensure that they can afford to participate in the exchange’s insurance plans. Additionally, we also recommend that the District create a wrap around benefit package so that any Medicaid beneficiaries who move into the exchange will have access to the benefits that they previously received under Medicaid.

The implementation of these mechanisms would provide access to the full array of Medicaid benefits while costing significantly less than providing a full Medicaid benefit. Additionally, these mechanisms would largely remove any incentive for individuals to attempt to remain on Medicaid – for instance, by cutting back on work hours – out of fear of losing access to a critically important health service not covered in the Exchange.

Recommendation 2: Maintain the District’s commitment to providing safety net coverage to anyone who is ineligible to participate in Medicaid or the Exchange. Even after implementation of the Medicaid expansions allowed under PPACA, there will remain groups of low-income individuals who will be ineligible for Medicaid, including certain groups in the immigrant community. Therefore, we urge the District to maintain its commitment to ensuring a health care safety net for all District residents funded with local dollars. There are a number of different ways to achieve this. We look forward to working with the District to achieve the most effective and protective safety net program while ensuring continuity of care and coverage for all individuals and families.

Recommendation 3: Ensure that there is a sufficient network of providers to serve those in the public insurance system and the Exchange. Currently, Alliance providers are paid more for office visits than are providers who see Medicaid beneficiaries. As a result of moving thirty to forty thousand current Alliance beneficiaries to Medicaid, providers who serve these individuals will be paid less. This cut will be exacerbated by the District’s proposal to cut Medicaid reimbursement rates to 80 percent of Medicare rates. A decrease in provider rates will likely result in fewer

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providers participating in the Medicaid system at a time when there will be a significant increase in Medicaid beneficiaries.

After implementation of PPACA, the District will need an even larger network of providers who will be willing to serve those who are currently receiving Medicaid and the Alliance as well as all individuals who will become newly enrolled in the health insurance Exchange. The District must therefore ensure that provider payment rates for Medicaid, the plans that participate in the Exchange and any other source of health coverage over which the District has control set provider payment rates at a level that will ensure sufficient numbers of providers to serve all covered District residents.

Recommendation 4: Protect the rights of individuals with disabilities and limited English proficient persons to receive accessible and appropriate services. The District should ensure that current protections for the civil rights of beneficiaries continue. Through the Home and Community Based Waiver or other options, people with disabilities should be able to live in the community and not in an institutional setting. Limited and Non-English proficient individuals should be assured of language accessible and culturally-competent services.

Principle 3

The District should streamline its eligibility rules and processes for public insurance programs and the Exchange.

Currently, the system of health care in the District is disjointed. The type of coverage you have depends on what type of insurance you have. In the public insurance system, the type of insurance you have depends on your demographics. A childless 40-year-old man without a disability cannot receive mental health treatment with his Alliance coverage while the same man with a four-year-old child or who receives Supplemental Security Income (SSI) can access this treatment through Medicaid. The childless 40-year-old man receives his care through a managed care organization; the man who receives SSI could get his health care through Medicaid fee for service while his four-year-old child obtains care through a managed care organization. Additionally, programs use different income and asset rules and tests. Add to this the added complexity for individuals who receive their care through waiver programs – with differing effective dates – and it is not surprising that very few people who come into our offices can tell you for sure the source of their public insurance.

The District has already made efforts to streamline eligibility determinations through the development of the Combined Application that DHS uses to assess eligibility for TANF, Food Stamps, Medicaid and Alliance. Other harmonization initiatives have also been explored over the years. There also exists a great deal of literature on best practices from other states and localities.

The following recommendations outline the elements of programs to simplify the availability of health care coverage. The undersigned organizations would be pleased to work with the Administration and the Council to identify these initiatives and best practices and adapt them to the implementation of PPACA.

Recommendation 1: Streamline current application and recertification rules and procedures. Under PPACA, the District must move towards a simpler system with one gateway for consumers to obtain health insurance. Through the development of one application tool, consumers' information will be used for consideration of enrollment in Medicaid or, if the applicant is not Medicaid-eligible, in another insurance program on the continuum – be it Healthy DC or part of the Exchange that will be implemented with PPACA. Each of the District's health insurance programs should be included in this "one door" system to determine eligibility.

Recommendation 2: Harmonize public health insurance application and recertification rules and procedures with those for other public benefits to the greatest extent possible. The District should also use, to the greatest extent allowable under current law, the same eligibility rules and procedures for medical coverage and for other District-administered benefits such as TANF and Food Stamps.

Recommendation 3: Assess current technology and invest in systems that can communicate with each other and store compatible data. Currently, there are too many data systems in the District that must communicate with each other but cannot or only do so with great difficulty. For example, the ACEDS system used by IMA to manage its caseload and the MMIS system used by DHCF have fields that don't connect with those in the other system. Too often, we have been told that data points, such as language spoken, must be manually input into each system. And when one looks at the systems outside the District government, such as those used by providers for billing and data,

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the compatibility problems multiply. This effort will be critical to streamlining eligibility and effectively determining who is eligible for what program.

The District should use this unique opportunity to examine all of the systems currently in use to store data and manage health insurance programs. Obsolete systems should be replaced, and newer systems should be upgraded and modified to ensure compatibility. We are pleased that DHCF has started this process by applying for the health information technology funding through the American Recovery and Reinvestment Act of 2009 (ARRA). We encourage the District to ensure that the Health Information Exchange, when implemented, will address the specific compatibility issues listed above.

Additionally, we hope that the District will also assist providers who do not qualify for the enhanced health information technology reimbursement rate through ARRA – such as behavioral health providers – in implementing electronic medical records systems. While initially this type of assessment and investment will cost money, we anticipate that eventually the District will realize savings from improved efficiency and the ability to better use staff time.

Principle 4

Any money saved through the implementation of PPACA should be reinvested into the health care system.

The District has the opportunity to realize administrative and other cost savings from the implementation of health care reform. By harmonizing rules and procedures and investing in smart technology, the District can manage its programs more efficiently and eventually save administrative costs. Through the expansion of Medicaid and implementation of the Exchange in FY 2014, the District can access federal dollars for services that are now being funded exclusively with local dollars. We understand that the District is experiencing extreme budget pressures. However, we urge the District to reinvest any savings from health care reform implementation back into the health care system towards initiatives designed to promote health, health care affordability and quality.