

**TESTIMONY OF WES RIVERS, POLICY ANALYST
At the Public Roundtable
On the District of Columbia's Health Benefits Exchange
District of Columbia Committee on Health
January 31, 2013**

Chairwoman Alexander and other members of the committee, thank you for the opportunity to testify today. My name is Wes Rivers, and I am a Health Policy Analyst at the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

I am here today to testify in support of the District Health Benefit Exchange's effort to use stakeholder workgroups to inform the numerous complex issues that must be resolved before the DC Exchange starts to operate. I also would like to comment on a few of those key issues, namely the importance of setting rules that result in affordable, high quality health plans on the Exchange, developing a robust system to help consumers navigate the new process, and creating a sustainable model for financing the ongoing operations of the Exchange.

Stakeholder Engagement and Policy Work Group Process

The District Health Benefits Exchange is an opportunity to provide quality and affordable health insurance to District residents and small businesses beginning in 2014. The Exchange's online portal will provide a transparent, easy to use interface, where consumers can shop and make real apples-to-apples comparisons of available health plans in the District market. The Exchange's coordinated eligibility and enrollment process will inform residents if they are eligible for premium and cost sharing subsidies or public programs such as Medicaid and Alliance. Through these features, residents and small businesses will have both choice and affordability when selecting an insurance option.

For the Exchange to begin enrollment this October, several critical decisions must be made in a quick time frame. DCFPI fully supports the Exchange Authority's strategy in forming temporary, broad-based stakeholder work groups to advise the Exchange staff and board on several policy questions within the coming months. This approach draws on the deep experience and expertise of consumers, providers, issuers, brokers, agents, consumer advocates, and community-based organizations, and formulates policy recommendations based on consensus found between these groups. Of course, all recommendations from the workgroups are advisory, with final decisions left to the Exchange board.

Already, the Essential Health Benefits working group — which will advise on the specific benefits that must be covered by plans sold in DC — has experienced progress through diverse

and substantive stakeholder input. We hope that all stakeholders participate and continue to contribute their expertise to the work group's recommendations.

Ensuring that the DC Exchange Includes High-Quality and Affordable Plans

DC residents often face tremendous obstacles in finding health insurance options that are affordable, both in terms of premiums and cost-sharing, and that have an adequate number of in-network doctors to secure an appointment within a reasonable timeframe. This concern is stressed over and over by consumer groups. These and other coverage issues contribute to the contradictory facts that health coverage in DC is widespread but health problems and disparities are great. It is vital that the District's Exchange set solid standards for health plans in terms of adequate number of providers in-network and quality data reporting -- such as statistics on a plan's provision of medical services and care coordination for DC's most common health problems. The Exchange must also ensure that cost-sharing structures meet the needs of families at all income levels.

Financing Exchange Operations in a Sustainable Way

DC also needs to structure our Exchange so that it is financially sustainable in the long-term. This is affected by two major factors: 1.) the market rules affecting both the Exchange and any market outside of the Exchange, and 2.) the Exchange's financing mechanism to be determined by the new Financial Sustainability Work Group.

The DC Exchange will not thrive and offer high-quality affordable options unless it includes a significant number of plans that ultimately enroll a sizable number of residents. DCFPI supports a market design in which all health insurance companies licensed in DC are required to offer plans in the DC Exchange, and hopefully those plans mirror their non-exchange counterparts. Without this, there is a risk that insurance plans offered through the Exchange will be used largely by less healthy residents, which will affect the costs and quality of those plans. Maryland has adopted such a policy for this very reason; with DC's even smaller population and marketplace, it is even more crucial to do so here.

Equally important, the Financial Sustainability Work Group will propose a financing mechanism to support the Exchange beyond the initial funding available from federal grants. DCFPI recommends that the financing mechanism be as broad based as possible and minimize the financial impact on the very consumers the Exchange is intended to serve.

Consumer Assistance

Finally, the working group process will advise the Exchange Board on how to design effective consumer outreach and education strategies, including one-on-one assistance for applicants. While we anticipate that brokers and agents will continue to play a large role helping small employers evaluate health insurance options, community-based consumer assistance programs -- such as Navigators and In-Person Assisters described in the ACA -- will be needed to help individuals who will get their insurance through DC's Exchange. This is particularly true given DC's cultural and language diversity and the likely complexity of applying for and enrolling in coverage. Community-based organizations are uniquely poised to help families in these communities find a health plan and apply for subsidies. If structured properly, the District can use both the Navigator and In-Person Assister programs with our existing network of brokers and agents in a complementary manner to maximize resources for DC residents and businesses in need of help. DCFPI is in support of robust and comprehensive programs for consumer assistance and outreach, and looks forward to

participating in the working groups and longer-term advisory committee charged with guiding these programs.

DCFPI fully supports the DC Health Exchange Authority's strategy for stakeholder engagement and we appreciate the opportunity to contribute to the process. We believe that this public-private partnership model including Exchange staff, DC government staff, DC Council, and community stakeholders will produce the results needed to ensure that the DC Exchange is developed on-time in the most effective manner possible.

Thank you for the opportunity to testify and I am happy to answer any questions.