

**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**  
**February 28, 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 recommendations of the District Health Benefit Exchange's policy work groups and the transitional approach being proposed to unify the individual and small group markets under the DC Exchange over the next two years.

For many years, the District has made a deep commitment to helping all residents gain access to basic health coverage – both through the development of the Healthcare Alliance and through the aggressive expansion of Medicaid made possible by the Affordable Care Act. Moreover, due to the success of the District's small business sector and a strong commitment by these businesses to their employees, a number of DC's small employers offer some of the best health insurance plans available on the private market. These plans cover a rich set of services, while keeping out-of-pocket expenses low for individual employees.

Despite this commitment to a healthy society, some of our residents remain uninsured or underinsured, because they are not eligible for public programs and they or their employer cannot afford available high quality plans.

The Affordable Care Act created state-based exchanges to create easy access to health plans of a certain quality and affordability. The DC Exchange offers an opportunity for the insurance industry, consumers, and District government to foster a marketplace where health plans meet the needs and pocket books of all residents, while maintaining robust, high quality choices for those lucky enough to already have top-tier coverage. The exchange also will give insurers a direct way to connect with individual customers that has not existed before.

DCFPI believes that market consolidation is the best long-term approach to ensuring that all residents have access to a robust set of affordable health plans. As has been argued before, the District's unique size and demographics require the Exchange to enroll a sizable number of residents to make the market viable. A unified market with a large, diverse pool of individuals would keep prices and quality of plans stable, creating a consistent consumer experience. With that said, the greatest advantage of a unified market is adding a layer of transparency and oversight that has not

previously existed in our market. Currently, DC is one of four states without a standard that ensures adequate access to doctors and specialists in a health plan's network. The transparency and oversight mechanisms within the Exchange ensure that consumer protections intended by the ACA become a reality. The regulatory structure of the Exchange makes certain that carriers are playing by a consistent set of rules and competing based on the price and quality of their products.

An Exchange stakeholder working group has come to preliminary consensus on some quality standards to help ensure that consumers will have access to an adequate network of providers for any care they are seeking. The work group has come to consensus, although without a final vote, on mechanisms for monitoring the number and type of providers available in an exchange plans' network. The work group also proposed reporting requirements that will improve transparency of the market. These standards specifically promote access to mental health and substance abuse services and providers that predominantly serve low-income communities. DCFPI supports these preliminary standards that foster a robust network of doctors and specialists in health plans sold on the exchange.

We also understand that market consolidation has raised a number of concerns, especially with respect to choice. DCFPI supports the Exchange Advisory Board's decision to allow for a two-year transition period into the Exchange for small employers with existing coverage. Their discussion recognized that the Exchange is a new marketplace, and that small employers may need time to evaluate new choices within the exchange and to observe how the Exchange works. Moreover, like with all markets, the Exchange's regulators need time to evaluate and adjust standards within the exchange and ensure that small employers have access to a robust number of choices that meet their needs. As residents, the transition period allows us all a chance to observe the performance of the Exchange and reevaluate the need and/or existence of an outside market.

For the Exchange to begin enrollment this October, several critical decisions must be made in a quick time frame, and the Exchange Authority's commitment to stakeholder engagement has ensured that these decisions have input from all parties involved. The new proposal of providing small businesses with a transition period will allow this public-private partnership to continue through our successful exchange implementation activities, and DCFPI appreciates the opportunity to contribute to the process.

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