

**TESTIMONY OF WES RIVERS, POLICY ANALYST
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**At the Hearing On
B20- 240 “The Better Prices, Better Quality, Better Choices
for Health Coverage Amendment Act of 2013”
District of Columbia Committee on Health
January 29, 2014**

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 Policy Analyst with 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 support “The Better Prices, Better Quality, Better Choices for Health Coverage Amendment Act of 2013.” DC Health Link helps ensure that residents who buy individual insurance and small employers have access to a range of high-quality health plans. The DC Fiscal Policy Institute supports the transition to a competitive health insurance market under DC Health Link, which has already begun to foster transparency and choice for District consumers. I would also like to applaud the staff of DC Health Link for their efforts to engage the community. While no major roll-out is flawless, DC Health Link has been quick to respond to problems and has upheld the District’s reputation as a national leader in providing quality and affordable health care to all of its residents.

Since last October, the new online shopping portal has given small businesses and individuals an easy way to shop for health plans and to get help to pay for them. The marketplace acts as a clearinghouse of options, helping individuals decide what plan is best for them. DC Health Link also helps make health insurance more affordable to both individuals and small businesses as the place they go to apply for federal tax credits and other subsidies.

DC Health Link creates real transparency and competition, allowing consumers to know exactly what they are getting with a specific plan and to compare features across plans, side-by-side. The online portal allows for stronger monitoring and enforcement of both local and federal plan standards. With all four major carriers participating in a transparent marketplace, insurers have had to compete based on price and quality of their products. Stronger competition has led to three District carriers lowering their prices from their initial rate filings, with one of those insurers lowering premiums twice. One insurer added dental benefits to make benefit packages competitive with the three other carriers.

DC Health Link has also resulted in improved choice for individuals, small businesses, nonprofits, and employees. In the past, individuals and very small employers often faced few, if any, plan

choices they can actually afford. Today, DC Health Link offers 267 health plans for small businesses and 34 plans for individuals and families. The online portal also permits small businesses to expand choice even further by allowing their employees to choose from a wide range of insurance carriers, instead of the common practice of offering just one or a few plan options.

DC Health Link will need a large and diverse pool of consumers in order to keep downward pressure on prices. Particularly, DC will need young adults to purchase coverage because they are a fairly healthy population and have avoided getting insurance in the past. Without them, the health insurance market will consist largely of people with poor health conditions, creating higher demand for medical services and increasing the cost of insurance. DC is off to a good start – more than 15,000 people have signed up for individual or employer health coverage through the marketplace so far, with 37 percent of those new enrollees being between the ages of 26 and 34.

Finally, DC Health Link staff have performed commendably to incorporate community feedback into their policy and procedures and to improve the consumer experience. Technology problems have persisted across the country and, while DC has had some issues, quick responses by staff and a strong network of consumer assisters have mitigated many enrollment issues. As open enrollment continues, DC Health Link is using the experiences of brokers and assisters to inform quality improvement.

Given the success of DC Health Link in improving the quality, affordability, and accessibility of health plans sold in the District, DCFPI urges the DC Council to approve the permanent version of this legislation. The legislation includes a transition period for small businesses – allowing them to purchase plans outside the exchange until 2015. That gives time for the Exchange Authority to assess and improve the market structure and the information technology needed to give residents and small businesses the optimal experience. DCFPI supports the transition to a unified District marketplace under DC Health Link and we urge the Council to do the same.

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