

**Testimony of Jodi Kwarciany, Health Policy Analyst
At the Budget Oversight Hearing for the Health Benefit Exchange Authority
DC Council Committee on Health
April 19, 2018**

Chairperson Gray and members of the Committee, thank you for the opportunity to testify today. My name is Jodi Kwarciany and I am the Health Policy Analyst at the DC Fiscal Policy Institute. DCFPI promotes opportunity and widespread prosperity for all residents of the District of Columbia through independent research and thoughtful policy solutions.

I am here today to testify in support of the proposed fiscal year (FY) 2019 budget for the Health Benefit Exchange Authority (HBX) and share how I think we can build on health coverage affordability as the DC Council works to finalize the FY 2019 budget.

DC Has Made Great Strides in Ensuring Access to Health Insurance for Residents

The District continues to be a leader in providing affordable health coverage options to all residents and reducing our number of uninsured. After the passage of the Affordable Care Act (ACA) in 2010, we were one of a handful of states to create a state-based marketplace for private insurance and we expanded our Medicaid program for childless adults well above the federal threshold.

HBX has, and will continue to be, a key partner in these efforts. Since opening, DC Health Link has served nearly 300,000 individuals, including 43,000 DC residents enrolled in private coverage, 78,500 enrolled through the small business marketplace (SHOP), and 177,000 residents who have been found eligible for Medicaid.¹ Today, our uninsured rate stands just below four percent – lower than all but three states.²

Unfortunately, the federal government is taking steps to undermine the ACA, requiring states to step in to stabilize insurance markets. In October, President Trump issued an Executive Order that could increase enrollment in two forms of health coverage – association health plans and short term limited duration plans – that would not be subject to the same consumer protection regulations as other ACA plans. This could allow insurers to exclude important benefits like mental health care and prescription drugs, or even deny coverage or charge higher prices to people with pre-existing conditions in exchange for lower premiums. Then, in December, the federal tax bill repealed the ACA’s ‘individual mandate,’ which required most people to obtain health insurance coverage or pay a penalty. Together, both actions draw healthier consumers away from the regular insurance risk pool, which in turn raises insurance premiums for everyone else and can threaten peoples’ access to comprehensive coverage. Such consequences could have a negative effect not only for our insurance market, but for our hospitals, clinics, health care providers and freelance workforce as well.

For this reason, I was proud to be Vice-Chair of the DC Health Benefit Exchange Authority’s ACA Working Group, tasked by the Mayor to recommend “actions the District government should take to protect coverage gains and ensure affordable health care coverage for individuals and small businesses.”³ The Working Group unanimously recommended a District-level individual mandate – along with several

additional affordability provisions—which was further supported by the DC Health Benefit Exchange Authority’s Executive Board in late February.⁴

Opportunities Within the Proposed FY 2019 Budget for HBX: Maintain Proposed Investments While Building on Affordability

Looking to FY 2019, DCFPI is in support of two key health coverage-related provisions included in the proposed budget: a local individual health insurance mandate which will help protect insurance coverage affordability and prevent more residents from becoming uninsured, and an increase of approximately \$500,000 in the HBX budget for consumer education and outreach, which will help offset federal cuts to health coverage outreach and enrollment efforts.

What the proposed budget does not fund are other recommendations from the Working Group, including ways to reduce the cost of health insurance for lower- and moderate-income District residents up to 400 percent of the federal poverty level. Council should include more investments to bring down costs for residents.

When people have health insurance, they can more regularly manage their health needs and focus on other things like their families, education or jobs. Implementing a local health insurance requirement is a smart move for the District, and we hope that the FY 2019 budget will maintain this policy and support the affordability provisions needed to protect DC’s coverage gains and maintain insurance market stability.

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

¹ DC Health Benefits Exchange Authority, Enrollment Summary, January 8, 2017.

² United States Census Bureau, “Selected Characteristics of Health Insurance Coverage in the United States” & “Health Insurance Coverage Status,” American Community Survey 1-Year Estimates.

³ Mayor Muriel Bowser, “Mayoral Charge to HBX Board,” January 10, 2018, from: https://hbx.dc.gov/sites/default/files/dc/sites/hbx/event_content/attachments/Mayoral%20Charge%20to%20HBX%20Board%20%28003%29.pdf.

⁴ DC Health Benefit Exchange Authority, “Resolution: Executive Board of the District of Columbia Health Benefit Exchange Authority,” February 21, 2018, from: https://hbx.dc.gov/sites/default/files/dc/sites/hbx/event_content/attachments/Approved%20Resolution%20-%20Individual%20Responsibility%20Requirement.pdf