

DC Will Become Third in the Nation to Adopt a Health Insurance Requirement for 2019

By Jodi Kwarciany

On Tuesday, the DC Council voted in the Budget Support Act for fiscal year (FY) 2019 to add the District to the list of jurisdictions, like Massachusetts and New Jersey, that are implementing a local health insurance requirement for 2019.¹ This local “individual mandate” will help protect DC’s coverage gains, maintain insurance market stability, and protect the District from harmful federal changes, and should be signed into law by the Mayor.

The new requirement follows the repeal of the Affordable Care Act’s (ACA) “individual mandate,” or requirement that all individuals obtain health insurance or pay a penalty, in December’s federal tax bill. This policy change, along with [other](#) recent federal actions, jeopardizes the District’s private insurance market and health coverage gains, potentially causing insurance premiums in the District to rise by nearly [14 percent](#) for ACA-compliant plans, and [increasing](#) the number of District residents who go without any health coverage. Through a local health insurance requirement, the District can maintain the protections of the federal law and support the health of DC residents.

The District’s new requirement largely mirrors that of the previous federal requirement while including stronger protections for many residents. As the federal requirement ends after 2018, beginning in 2019 most DC residents will be required to maintain [minimum essential coverage](#) (MEC), or health insurance that is ACA-compliant. This covers most forms of insurance like employer-based coverage, health plans sold on DC Health Link, Medicare, and Medicaid. For the 96 percent of District residents who already have health coverage, this presents little to no change.² Through the District’s new requirement, the local [Immigrant Children’s Program](#) (ICP) will now count as qualifying coverage. ICP has the same coverage as Medicaid, but previously was not considered MEC.



Residents who do not maintain coverage must pay a penalty unless they qualify for an exemption. While the penalty structure is similar to that under the prior federal law, the list of exemptions available are attuned to local needs: the law broadens exemptions for lower-income residents, as well as those enrolled in the District’s local Healthcare Alliance program (which does not have the same level of coverage as Medicaid³).

Any revenue collected from the insurance requirement will go into the Individual Insurance Market Affordability and Stability Fund, which will be used to provide outreach to uninsured District residents,

provide information to residents about their health insurance options, and support other initiatives to increase insurance availability and affordability.

When people have health insurance, they can more regularly manage their health needs and focus on other things like their families, education or jobs, and DC's local insurance requirement will protect the insurance coverage gains the District has achieved under the ACA.

¹ Vermont recently enacted a law for an individual insurance requirement slated to go into effect in 2020; decisions around enforcement mechanisms and the financial penalty will be taken up in the state's next legislative session.

² United States Census Bureau, "Selected Characteristics of Health Insurance Coverage in the United States," 2016 American Community Survey 1-Year Estimates.

³ The Alliance program does not qualify as MEC under the ACA, although beneficiaries have access to wrap-around services that fill in the gaps. Previously, some individuals enrolled in the Alliance program who filed tax returns could be subject to the federal health insurance requirement's penalty if they did not qualify for an exemption, despite Alliance coverage often being the only health insurance that Alliance beneficiaries could afford or qualify for. Under DC's local insurance requirement, Alliance beneficiaries will not be penalized for this. For more on what constitutes MEC, see federal guidance [here](#).