

Brianne K. Nadeau

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A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend the Health Care Privatization Amendment Act of 2001 to align the enrollment process and enrollment period for the DC HealthCare Alliance align with requirements for DC Medicaid, to amend the Department of Health Care Finance Establishment Act of 2007 to limit the initial use of the Medicaid Reserve to reforming the DC HealthCare Alliance application and recertification process, make the funding in the Medicaid Reserve non-lapsing, to amend Title 47 of the D.C. Official Code to require any reprogramming of funding from the Department of Health Care Finance or the Medicaid Reserve to be actively approved by resolution in Fiscal Year 2021, deposit all unspent local funds of the Department of Healthcare Finance in Fiscal Year 2021 into the Medicaid Reserve, and to require the Office of the Chief Financial to notify the Council within 3 business days if funds in the Medicaid are no longer required for the Department of Health Care Finance.

BE IT ENACTED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Department of Health Care Finance Alliance Reform and Budget Transparency Emergency Declaration Resolution of 2020”.

Sec 2. (a)(1) On December 5, 2017, the Council approved the D.C. Healthcare Alliance Re-Enrollment Reform Amendment Act of 2017 (D.C. Law 22-62; 65 DCR 9, effective February 17, 2018). This legislation eliminated the requirement for persons enrolled in the D.C. Healthcare Alliance (“Alliance”) to recertify in-person with the Department of Human Services

1 and extended to the enrollment period from 6 months to 1 year to align the Alliance with
2 enrollment period for Medicaid.

3 (2) The Office of the Chief Financial Officer estimated that the legislation would
4 have a fiscal impact on the District’s budget and financial plan of \$105,216,288 in a fiscal impact
5 statement dated October 5, 2017.

6 (3) In response to Fiscal Year 2019 budget questions, the Office of the Chief
7 Financial Officer stated that they could not certify any reductions to local funds budgeted for
8 provider payments from the Department of Health Care Finance Program 5000.

9 (3) On June 26, 2018, the Council approved the D.C. Healthcare Alliance Re-
10 Enrollment Without Fear Act of 2018 as Sec. 5081 of the Fiscal Year 2019 Budget Support Act
11 of 2018 (D.C. Law 22-168; effective from Oct 30, 2018). This legislation required that any
12 reprogrammings of funds out of the Department of Health Care Finance required active approval
13 by Council. The Council approved this legislation because it believed that the fiscal estimate for
14 the D.C. Healthcare Alliance Re-Enrollment Reform Amendment Act of 2017 was overstated
15 and that there would be underspending in the Medicaid provider payments sufficient to pay for
16 the Alliance reforms that Office of the Chief Financial Officer would not certify at the time the
17 Fiscal Year 2019 budget was adopted.

18 (4) The Executive Branch elected not to reprogram any funds from the
19 Department of Health Care Finance in Fiscal Year 2019, but instead, in Bill 23-205, the Fiscal
20 Year 2019 Revised Local Budget Emergency Act of 2019, the Mayor swept \$10,000,000 in local
21 funds from Program 5000 based upon projected underspending in provider payments, which is
22 the same program that contains budget activity 5003 – Alliance Provider Payments. These funds
23 could have been used to pay for the cost of any Alliance reforms in Fiscal Year 2019.

1 (5) In response to Fiscal Year 2020 budget questions, the Office of the Chief
2 Financial Officer stated that they could not certify any reductions to local funds budgeted for
3 provider payments from the Department of Health Care Finance Program 5000.

4 (6) In response to Fiscal Year 2021 budget questions, the Office of the Chief
5 Financial Officer stated that they could not certify any reductions to local funds budgeted for
6 provider payments from the Department of Health Care Finance Program 5000.

7 (7) The D.C. Healthcare Alliance Re-Enrollment Reform Amendment Act of
8 2017 was repealed in the Fiscal Year 2021 Budget Support Act of 2020, because the Council was
9 unable to satisfy the extraordinary amount of funds required by the fiscal impact statement.

10 (b)(1) When COVID-19 hit the District of Columbia, the Executive Branch removed the
11 face-to-face certification requirement and stopped disenrolling anyone from the Alliance
12 Program. However, the high costs projected by the Office of the Chief Financial Officer in the
13 fiscal impact statement did not materialize, and any modest increase to the Alliance budget
14 appeared to be driven by the fact that no one was being disenrolled from Program through
15 normal attrition.

16 (2) After the end of fiscal year 2020, on October 22, 2020, the Executive Branch
17 reprogrammed \$28,298,655 of local funds from the Department of Health Care Finance,
18 Program 5000 to support \$43,000,000 in overtime spending at the Metropolitan Police
19 Department in Reprogramming Request 23-0129. Program 5000 is the same program that
20 contains budget activity 5003 – Alliance Provider Payments, and these funds could have been
21 used to pay for the cost of any Alliance reforms in Fiscal Year 2020, or the funds could have
22 been carried forward to future fiscal years preserving HealthyDC dedicated tax non-lapsing
23 funds.

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(3) Based upon Fiscal Year 2020 end-of-year actual spending and current enrollment projections, it appears that there will be substantial underspending in the Department of Health Care Finance, Program 5000 in Fiscal Year 2021, and that at minimum, the \$17,540,000 will no longer be required for Medicaid Provider payments, and instead may be dedicated for reforms of the D.C. Health Care Alliance.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Department of Health Care Finance Alliance Reform and Budget Transparency Emergency Amendment Act of 2020 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.