

*Brianne K. Nadeau*

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Councilmember Brianne K. Nadeau

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A PROPOSED RESOLUTION

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
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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 2021”.

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

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

1 (5) The D.C. Healthcare Alliance Re-Enrollment Reform Amendment Act of  
2 2017 was repealed in the Fiscal Year 2021 Budget Support Act of 2020, because the Council was  
3 unable to satisfy the extraordinary amount of funds required by the fiscal impact statement.

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

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

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

1                   (4) There exists a risk that Fiscal Year 2021 funds appropriated for health care  
2 purposes in the Medicaid Reserve and the Department of Health Care Finance could again be  
3 swept away for general budget gap-closing when the Executive presents the proposed Fiscal  
4 Year 2022 budget and revised Fiscal Year 2021 budget to the Council, without first ensuring that  
5 Alliance reforms implemented during COVID-19 are permanently enacted by statute.

6                   (5) This emergency legislation requires the Chief Financial Officer to alert the  
7 Council within 3 business days if it determines that the Medicaid Reserve is no longer needed by  
8 the Department of Health Care Finance, so the Council will have the opportunity to effectuate  
9 the Alliance reforms from available appropriated funds prior to the release of the Mayor’s Fiscal  
10 Year 2022 budget.

11                 Sec. 3. The Council of the District of Columbia determines that the circumstances  
12 enumerated in section 2 constitute emergency circumstances making it necessary that the  
13 Department of Health Care Finance Alliance Reform and Budget Transparency Emergency  
14 Amendment Act of 2021 be adopted after a single reading.

15                 Sec. 4. This resolution shall take effect immediately.