DC Health Benefit Exchange Authority

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Executive Director

Report

DC Health Benefit Exchange Authority
Executive Board Meeting
September 2026

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UPDATES:

- ✓Healthy DC Plan – new benefits for 2027, periodic data matching (PDM) to identify duplicate enrollment, risk adjustment, reporting, current enrollment
- ✓**HR 1:**
  - ✓changes to eligibility for lawfully present residents (Visa holders) enrolled in or qualifying for BHP and APTC effective January 1, 2027
  - ✓Pre-Enrollment Verifications (prohibition of auto-renewal for health insurance for residents with APTC)
- ✓HC4CC 2027

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Healthy DC Plan Status of Implementation

- Locally funded dental and vision benefits:
  - ✓ Finalized scope of benefits to mirror Medicaid. BHP Advisory Committee and health plans provided input.
  - ✓ Mercer actuarial analysis informed formula for payment to health plans.
  - ✓ Finalized payment amount and timing with health plans – quarterly payments pre-adjusted for risk.
  - ✓ Updated with input from health plans and finalized Summary of Coverage and Explanation of Benefits to reflect new benefits (HBX and DISB staff coordinated).
  - ✓ Updated Carrier agreement and on track to finalize.
  - ✓ Working with DHCF on MOU for funding transfer.
- Program integrity:
  - Developed and deployed in July 2026 staff initiated periodic data matching (PDM) for Medicaid, Medicare, and Social Security Death File (note that social security death file does not work – federal data hub returns incorrect results). Ran Medicaid PDM in July and September. This new functionality allows for monthly verifications and will help avoid timing issues for terminating coverage for individuals covered by more than one federal program.
- 2027 BHP rates: DISB approved ACA rates for 2027. Waiting for CMCS to issue guidance on federal payment formula for 2027.

Healthy DC Plan Status of Implementation Cont.

- ✓Provider networks transitional year will end October 1. Carriers submitted final reports to DISB for review.
- ✓Risk Adjustment: all three carriers are on track to start submitting claims information in September 2026 to CCIIO for risk adjustment.
- ✓Quality reporting: finalized reporting measures for 2026. HBX will report in March 2027 to CMCS based on carriers reports to HBX in early 2027.
- ✓Reporting to CMS:
  - ✓Reporting to CMCS (actual enrollment not projected enrollment) – on track to report actual enrollment end of 2026/early 2027 (once all data clean up is done).
  - ✓We reconcile enrollments and payment monthly with health plans.

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Healthy DC Plan
Current Enrollment (as of 9/26)

Healthy DC Plan Carrier	Current Enrollments September 7, 2026
AmeriHealth Caritas DC Healthy DC Plan	5,458
MedStar Family Choice Healthy DC Plan	3,090
CareFirst BlueCross Blue Shield Healthy DC Plan*	4,142
TOTAL	12,690

*There are 110 (3 with Oct 1 start date) lawfully present residents with income under 100% FPL covered by CareFirst Blue Cross Blue Shield Healthy DC Plan. These residents are eligible for BHP but not eligible for federal funding due to changes in federal law that became effective January 1, 2026. They are included in current enrollments.

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HR 1 Implementation

- ✓**REMINDER federal law changes for 2027 plan year: HR 1** changed who qualifies for federal funding. Starting January 1, 2027, residents with certain visa status, e.g., war refugees, will **no longer qualify for BHP or APTC.** Spring 2026 HBX estimated approximately $8.2m in local funding would be needed to cover 825 residents (currently covered and new enrollees).
- ✓FY27 Budget: FY27 budget included $2,487,698 in local funding for currently covered BHP and APTC residents losing coverage due to HR 1 changes. This did **NOT** include the funding necessary to pay for residents losing Medicaid (Oct 1) due to immigration status and is **not** enough funding to cover currently covered residents.

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HR 1 Implementation: eligibility for federal funding changes based on Visa type

- ✓ **Developed and deployed IT federal HUB check for Visa status for currently enrolled residents (as of September 10):**
  - APTC: 260 out of 414 lawfully present residents with APTC continue to be eligible for APTC in 2027
  - APTC: 154 will lose federal APTC.
  - BHP: 762 out of 987 lawfully present residents in the BHP continue to be eligible for BHP in 2027
  - BHP: 225 residents with incomes 100 to 200% FPL will lose BHP funding in 2027
  - Reminder that 110 residents with incomes below 100% FPL also require local funding. These residents will qualify for the Alliance.

- **Leveraging all coverage options to help residents stay covered:**
  - ✓ **Alliance:** There are 152 residents with incomes 0-138% FPL who will be eligible for the Alliance (open for new enrollment). This includes 42 residents with incomes 100-138% FPL and 110 residents with incomes below 100% FPL.
  - ✓ **HC4CC:** Approximately $100,000 for 2027 is necessary to make up for the loss of APTC for 22 residents covered by HC4CC. We will use HC4CC funding to keep these residents covered (unless they have another source of coverage).
  - ✓ **$2,487,698 in local funding for currently covered BHP and APTC residents** losing coverage due to HR 1 changes: local funding amount is not sufficient to cover all currently enrolled. If Health Plans are not able to assist to cover currently covered residents, will work with BHP Advisory Committee and HBX Standing Advisory Board to help inform coverage strategy. **Expect coverage losses.**

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HR 1 Implementation: eligibility for federal funding changes based on Visa type

There are 132 (APTC) and 183 (BHP) currently insured residents with no funding to stay covered in 2027. They do not qualify for Alliance or HC4CC. **Some of the 315 residents will become uninsured. $2,487,698 in local funding available but cost estimated at $3.2 million.**

- Estimated cost (waiting for final CMCS rates):
  - Healthy DC Plan currently covered enrollees: **BHP: Estimated local funding needed to make up for loss of BHP funding is approximately $2.1 million.**
  - DC Health Link currently covered enrollees: **APTC: Estimated local funding needed to make up for loss of APTC is approximately $1.1 million.**
- Approximately 300 to 500 losing Medicaid (estimates from DHCF) will be eligible to enroll in BHP from October 1 to December 31. **NO** federal or local funding starting January 1 for those residents to stay in BHP. **An estimated additional $5 million in local funding is necessary to cover these residents in BHP in 2027.** We will help residents who qualify for the Alliance to move to the Alliance.
- New enrollees in addition to those who lose Medicaid will not have local funding for 2027 unless additional local dollars are allocated.

Federal Guidance for Pre-enrollment verifications

Neither CMS nor Treasury have issued proposed guidance on HR 1 pre-enrollment verifications. Statutory deadline to allow enrollees to start pre-enrollment verifications is August 1, 2027. **High risk** of failure. Will need significant flexibility from the federal government on state IT design and will need transitional relief from the IRS to allow consumers to get APTC.

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HealthCare4ChildCare Current Enrollment

- ✓HC4CC covers 2,461 people -- 2,019 employees and 442 dependents.
- ✓HC4CC covers 211 facilities (151 employers).
- ✓Since January 2023, HC4CC has helped 3,687 people and 242 facilities.
- ✓Waitlist: 1 facility (SHOP), 9 employees (Individual Marketplace).

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HealthCare4ChildCare Changes for 2027

- HC4CC pays for gold coverage; covered employers and workers will continue to get HC4CC free gold coverage.
- Will need to adjust program design -- applying all funding from MOUs with OSSE, interest earned from prior coverage years, and the $12 million allocated for 2027 coverage.
- Have received input from HC4CC Advisory Committee. Options to consider:
  - Pay for a less expensive gold plan in SHOP;
  - Move enrollees from a CareFirst PPO Gold plan to a CareFirst HMO Gold plan;
  - Move workers from HC4CC individual market plan to HC4CC SHOP plan if their employer participates in HC4CC SHOP;
  - Workers who work for large firms (100+ employees): if eligible for their job-based coverage, they will no longer qualify for free HC4CC coverage. Based on discussions with some large employers, this will need a transition (first quarter of 2027).
- Will reconvene HC4CC Advisory Committee to plan for FY28 budget for HC4CC. After we conclude eligibility reviews and remove HC4CC payment in cases where workers no longer qualify and based on program adjustments for 2027, we will have data for estimating funding needs for plan year 2028.