

HEALTH BENEFIT EXCHANGE AUTHORITY

NOTICE OF PROPOSED RULEMAKING

The Executive Board of the District of Columbia Health Benefit Exchange Authority (“Authority”), pursuant to the authority set forth in § 18 of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 4, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.01 *et seq.*) (“Act”), hereby gives notice of the intent to adopt the following rules, which will establish a new Subtitle D (Health Benefit Exchange) of Title 26 (Insurance, Securities, and Banking) of the District of Columbia Municipal Regulations (DCMR), in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register* and upon the completion of the thirty (30) day Council period of review, if the Council does not act earlier to adopt a resolution approving the rules.

These rules were adopted by the Executive Board on February 12, 2014 and establish an assessment upon health carriers to fund the operations of the Authority. Pursuant to §31-3171.03 of the Act, the Authority is authorized, through rulemaking, to charge user fees, licensing fees, or other assessments on health carriers. In the first year, the Authority believes the assessment will be 1% or slightly under 1%.

A new Subtitle D, Health Benefit Exchange, is added to Title 26, District of Columbia Municipal Regulations, as follows:

A new Chapter 1, titled “Health Carrier Assessments,” is added to read as follows:

100 ASSESSMENTS

- 100.1 The DC Health Benefit Exchange Authority (“Authority”) shall assess annually, through a “Notice of Assessment,” each health carrier doing business in the District with direct gross receipts of \$50,000 or greater in the preceding calendar year an amount based on a percentage of its direct gross receipts for the preceding calendar year.
- 100.2 The Authority shall adjust the assessment rate in each assessable year. The amount assessed shall not exceed reasonable projections regarding the amount necessary to support the operations of the Authority.
- 100.3 Each health carrier shall pay to the Authority the amount stated in the Notice of Assessment within thirty (30) business days of receipt of the Notice of Assessment.
- 100.4 Any failure to pay the assessment shall subject the health carrier to D.C. Official Code § 31-1204.

A new Chapter 99, “Definitions”, is added to read as follows:

9900 **DEFINITIONS**

9900.1 When used in this chapter, the following words terms shall have the meanings ascribed:

 “**Authority**” means the District of Columbia Health Benefit Exchange Authority established pursuant to D.C. Official Code § 31-3171.02.

 “**Direct gross receipts**” means all policy and membership fees and net premium receipts or consideration received in a calendar year on all health insurance risks originating in or from the District of Columbia.

 “**Health carrier**” has the same meaning as provided in D.C. Official Code § 31-3171.01(6).

 “**Net premium receipts or consideration received**” means gross premiums or consideration received less the sum of premiums received for reinsurance assumed and premiums or consideration returned on policies or contracts canceled or not taken.

Comments on this rule should be submitted, in writing, to Mary Beth Senkewicz, DC Health Benefit Exchange Authority, 1100 15th Street, NW, Eighth Floor, Washington, D.C. 20005, or to mary.senkewicz@dc.gov, within thirty (30) days of the date of publication of this notice in the *D.C. Register*. Additional copies of this rule are available Monday through Friday between the hours of 8:30 a.m. and 4:00 p.m., DC Health Benefit Exchange Authority, 1100 15th Street, NW, Eighth Floor, Washington, D.C. 20005.