

DRAFT ACA WORKING GROUP RECOMMENDATION

February 12, 2018

The federal government repealed the federal individual responsibility requirement, effective January 1, 2019, in the Tax Cuts and Jobs Act of 2017. That action puts affordable coverage at risk in state individual and small group markets. In response, Mayor Bowser asked the DC Health Benefit Exchange Authority to: *“reconvene the ACA Working Group to recommend actions the District government should take to protect coverage gains and ensure affordable health coverage for individuals and small businesses.”*

The ACA Working Group recommends that the District of Columbia fill the void left by the federal government by enacting an individual responsibility provision requiring District residents to maintain qualifying health coverage or pay a penalty on their District taxes.

The District’s individual mandate will mirror the federal mandate with changes to enhance protections for District residents. These changes include: ensuring that the DC Healthcare Alliance and the Immigrant Children’s Program enrollees meet the mandate; protecting against future association health plans that would undermine coverage in the District; exempting low-income individuals and families from the penalty; connecting uninsured residents with health coverage options during tax time; and preventing District residents from ever facing a double penalty.

Coverage Changes

District residents and businesses will be further protected by having the DC Healthcare Alliance and the Immigrant Children’s Program meet the individual mandate.

There is a pending federal regulation regarding association health plans. The District’s individual mandate will be designed to protect against future association health plans that would undermine the stability of the District’s individual and small business markets. However, to prevent disruption of existing coverage, association health plans that meet the requirements in place under federal law as of December 31, 2017 will continue to meet a District mandate.

Exemption Changes

District residents will be further protected by exempting low income individuals and families, such as those under 200% of the federal poverty level or at Medicaid eligibility levels.

The District will also better protect residents by clarifying that they will not be penalized for short lapses in coverage of three months or less.

The District will use the tax filing process as a leverage point to conduct outreach and education regarding health coverage options for those that are uninsured.

Penalty Changes

If the federal government reinstates a federal individual mandate, District residents will not be subject to double penalties.

This policy should be legislated in time to be prevent premium increases in 2019 and become effective January 1, 2019. Implementation of a District penalty should be coupled with significant outreach and education. Key to success is maintaining strong DC Health Link partnerships with assisters, brokers, and business associations and working closely with health care providers, government agencies, elected officials and other stakeholders. Over time, refinements to the District’s individual mandate should be considered to maintain its effectiveness.