

**Statement of Diane C. Lewis  
Chairperson  
D.C. Health Benefit Exchange Authority Executive Board**

**COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE ON HEALTH  
COUNCILMEMBER YVETTE ALEXANDER, CHAIRPERSON**

**Hearing on Bill 21-8 the “Health Benefit Exchange Authority Financial  
Sustainability Amendment Act of 2015”**

**Thursday, January 29, 2015, 11:00 am  
Room 412, John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Washington, D.C. 20004**

Chairperson Alexander, Members of the Committee, my name is Diane Lewis and I am the Chair of the Executive Board of the DC Health Benefit Exchange Authority. Thank you for the opportunity to appear before you today. I’m here to urge the Council to enact the *“Health Benefit Exchange Authority Financial Sustainability Amendment Act of 2015.”*

When Congress passed the Affordable Care Act (ACA) in March of 2010, the District of Columbia seized the opportunity put forth by that law to ensure affordable, quality health care to those in the District who were uninsured and to improve health coverage options for everyone in the small and individual group marketplaces.

Immediately in 2010, the District expanded Medicaid to childless adults as permitted under the ACA. In 2011, the District took the next major step when the Council approved *the Health Benefit Exchange Authority Establishment Act*, committing the District to build a state-based marketplace. In January 2012, the Mayor signed this legislation into law and appointed the Health Benefit Exchange Authority Executive Board – of which I am proud to serve as the current Chairperson. In December 2012, the District was conditionally approved to have a state-based marketplace by the Federal Government. We were one of the first jurisdictions to gain that approval.

As you will hear from our Executive Director Mila Kofman in her testimony, we are very proud of what we’ve achieved so far. According to press reports when the new marketplaces opened nationwide on October 1, 2013, DC Health Link was one of only four state-based exchanges to be up and running, without any incidents, on day one. We also started with both an individual

and Small Group (SHOP) marketplace -- while the Federal Marketplaces and many states deferred their small group marketplaces to a later date.

Since October 1, 2013, more than 70,000 people have come through DCHealthLink.com and obtained private health insurance coverage for themselves and their family members through our individual marketplace; coverage through their employer in our small group (SHOP) marketplace; or been found eligible for Medicaid.

We are before you today to ensure that we are able to continue providing this coverage and extend affordable, quality coverage to all eligible District residents and small businesses. In order to gain approval as a state-based marketplace, the ACA requires that we be self-sustaining as of January 1, 2015. That means we have to have a financing mechanism in place that funds the operational and maintenance costs of our state-based marketplace.

Last year, the Council took the first step necessary for financial sustainability by passing the emergency and temporary versions of the permanent bill before your Committee today. Now we need the Council to complete that work by passing the permanent legislation so that we have in place the permanent means to ensure we are self-sustaining as required by federal law.

The broad-based assessment outlined in this legislation, and implemented for the first time last year, is one that we developed through process that began in the spring of 2013 with an Advisory Working Group in the made up of public participants that included carriers, brokers and consumer advocates. They came to a consensus recommendation of a broad-based assessment on health carriers in the District to fund HBX, similar to the assessment that funds the DC HealthCare Ombudsman program. Importantly, the annual assessment is limited to the funds needed for the HBX annual budget as approved by the Council. That recommendation was brought to the Executive Board for our consideration; and the Executive Board voted to support their recommendation on June 6, 2013.

The next step by HBX was to promulgate proposed regulations. We shared these and sought public input. Insurers of supplemental health plans who opposed the assessment suggested the potential for a lawsuit. It was then determined that a better course of action would be to enact legislation through the Council to put the assessment directly into statute. With your help, we gained unanimous support for the emergency and temporary versions of this legislation last year. Now, we are asking for your ongoing leadership to enact the permanent legislation.

As you know, financial sustainability is a key component of obtaining certification as a state-based marketplace by the Federal Government. So, without passage of this legislation, we endanger the ability for DC Health Link to continue to provide affordable, quality coverage options to thousands of District residents and small businesses.

I am truly honored to be part of the historic effort of implementing the ACA and making affordable, quality health insurance a reality for thousands of people in the District of Columbia.

Swiftly enacting permanent legislation to enable our broad-based assessment will be key to our success. I thank you and the other members of this committee for your ongoing support. It is now my pleasure to turn things over to Mila Kofman, Executive Director of the DC Health Benefit Exchange Authority.

Again, thank you, Madam Chair, for the opportunity to testify today.