DC Health Link

Mila Kofman, JD
Executive Director
DC Health Benefit Exchange Authority
202-727-9039 mila.kofman@dc.gov

ACA is Working in DC

- More than 96% of DC residents covered
- Uninsured rate cut in half
- DC in the top 3 states with lowest uninsured rates
- DC has 2nd lowest individual health insurance rates in the U.S. (CMS May 2018)

DC Health Link enrollment:
- 17,000+ individual marketplace
- 77,000+ small business marketplace (includes 11,000 Congressional staff & Members)
- ~5,000 small businesses covered through SHOP

800 brokers participating with DC Health Link
2018 HEALTH INSURANCE OPTIONS THROUGH DC HEALTH LINK

• **Plans:**
  - 151 Small Group Plans
  - 26 Individual Plans (includes 2 catastrophic)

• **Insurers:**
  - 3 United HealthCare Companies (group only);
  - 2 Aetna Companies (group only);
  - CareFirst BlueCross BlueShield;
  - Kaiser Permanente

Also offer Dental (SHOP and Individual) and Vision (Individual)

Federal actions destabilizing markets, segmenting risk pools & creating uncertainty:

- Cut open enrollment period in half
- Cut navigator funding
- Allowing direct enrollment via web-based enrollers
- Restricted SEPs
- $0 federal individual responsibility requirement
- Pushed to attempt to repeal ACA
- Ended cost sharing reduction reimbursement (CSR)
- Threatened to prohibit silver-loading
- Temporarily stopped risk adjustment payments
- Expanded association health plans
  - DC estimate: increase premiums in individual market by $1,307/yr; $1,486/year per person small group
- Expanded short-term limited duration plans
  - DC estimate: increased claims cost 21.4%; 6,100 people become uninsured (~35% of DC’s individual market)

Risk pool stability depends on:
- new (and young/healthy) covered lives
- avoiding market/risk pool segmentation
- stable regulatory and legislative environments for carriers
Response to Federal Actions: Non-legislative

- **Extended Open Enrollment Period**: Nov 1 to Jan 31 for 2018 and 2019 plan years
- **Invested in outreach, marketing, and enrollment**: navigators funding; additional paid media
- **Provided relief from burdensome federal requirements**: SEPs
- **Created more robust plan design**: standard plans to ensure access to care pre-deductible
- **ACA working group**: ~20 meetings; diverse members (DC Chamber, advocates, health plans, a broker, hospitals, community health centers, individual & business enrollees); unanimous local policy recommendations

Response to Federal Actions: Legislative

- **DCHBX Executive Board adopted (unanimous) recommendations of ACA working group**
  - **Individual responsibility requirement**: (looked at MA, federal, and draft MD approaches),
  - **Locally funded APTC wrap**
  - **Locally funded reinsurance**
- **Enacted DC Individual Responsibility Requirement**: Introduced by Mayor Bowser and unanimously passed by DC Council; currently under Congressional review
- In discussion:
  - **local standards for short-term limited duration plans**: (limit to up to 3 months – pre-rule standards);
  - **association health plans standards** (pre-rule standards)
  - **locally administered risk adjustment** (preliminary discussion)
New individual responsibility requirement: similar to federal requirement

• **Applies to 2019** (when federal fine decreases to $0)

• **Applies to any “applicable individual”** (Similar to federal standards as of 12/15/2017--Person covered by DC HealthCare Alliance is not an "applicable individual")

• **Applies if go without coverage for ≥3 months** (per federal standards 12/15/2017)

• **Fine similar to federal** (offset if federal is reinstated)

**Responsibility fine:**
Whichever is greater: $695 per adult/$347.50 per child -- up to a cap of $2085 per family OR 2.5% of family income that is over the filing threshold

Fine is capped at the average DC bronze level health plan (DCHBX will publish annually --).

New individual responsibility requirement: similar to federal requirement

• **Individual must have minimum essential coverage (MEC)** (federal standards 12/15/2017)
  
  – DC Immigrant Children’s Program (considered to meet the requirement);
  
  – AHP qualifies **only if** provided coverage in DC on 12/15/2017 OR it complies with 12/15/2017 federal rules
  
  – Same as federal rules: short-term limited duration plans don't qualify (same as federal standards, defined as up to 3 months through reference to federal 12/2017 standards)
New individual responsibility requirement

• **Exemptions:**
  
  – **Automatic** exemption (on DC income tax form): 222 FPL%; 324% FPL for under 21 (% adjusted by Mayor based on eligibility for Medicaid, CHIP & Immigrant Children’s Program) *(DCHBX will publish income level annually - new).*
  
  – **Individuals must apply** for affordability/hardship exemption (similar to federally administered exemptions; new responsibility for DCHBX)

• **Outreach requirement:** Local Tax Office outreach to people who are subject to a penalty

• **$$ collected:** new Fund to help educate about coverage options and increase affordability of individual health insurance premiums

New individual responsibility requirement: Implementation

• **DCHBX responsibilities:** publish income level for automatic exemption, bronze plan cost (max. fine); establish process/administer hardship and affordability exemptions; continue to produce 1095As or comparable report to local tax office; launch an education campaign; support local tax office’s implementation efforts

• **Department of Health Care Finance (DHCF):** provide input on automatic exemptions; continue to produce 1095Bs or comparable reports to local tax office; assist with education campaign; work with DCHBX and local tax office

• **DC Office of Tax and Revenue:** issue local guidance as necessary after review of federal standards; change tax forms; establish process for reporting of 1095s or comparable reports (production requirement same as federal but reporting to local tax office); train tax office call center staff; change software/systems; education/notices
Recent Awards and Recognition

• **2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
  
  – for shared services with the Massachusetts Health Connector and open source code in the cloud with agile development

• **2017 Ranked #1 for consumer shopping tools:** Clear Choices ranking of SBMs and FFM

• **2017 AWS IT case study subject** on cloud solutions (https://aws.amazon.com/solutions/case-studies/DC-HBX/)

• **First in the nation SBM partnership.** Selected by the Massachusetts Health Connector to provide IT solution and ongoing operations support for the MA SHOP (Feb 2017)