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Brianne K. Nadeau

Vincent C. Gray

Councilmember Brianne K. Nadeau

Councilmember Vincent C. Gray

AMENDMENT #1

IN THE COMMITTEE OF THE WHOLE

Date: July 20, 2021
Offered By: Councilmember Vincent C. Gray
Title: Bill 24-0285, the Fiscal Year 2022 Budget Support Act of 2021
Version: Introduced
 Draft Committee Print
 Committee Print
 First Reading
 Amended First Reading
 Engrossed
 Enrolled
 ANS

Page 224, line 4994, Title V is amended by adding a new subtitle K to read as follows:

“SUBTITLE K. DC HEALTHCARE ALLIANCE CONFORMING

AMENDMENTS

“Sec. 5101. Short title.

“This subtitle may be cited as the “DC HealthCare Alliance Conforming Amendments and Non-Lapsing Fund Amendment Act of 2021”.

36 “Sec. 5102. The Health Care Privatization Amendment Act of 2001, effective July 12,
37 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 *et seq.*) is amended as follows:

38 “(a) Section 7b (D.C. Official Code § 7-1407) is amended to read as follows:

39 ““Sec. 7b. DC HealthCare Alliance recertification.

40 ““(a) The Mayor shall allow enrollees for the DC HealthCare Alliance (“Alliance”)
41 program to complete an application for recertification with the Department of Human Services:

42 ““(1) In person;

43 ““(2) Over the telephone; and

44 ““(3) Through electronic means, including through a web-based portal.

45 ““(b) Applicants for the Alliance program shall not be required to complete a face-to-face
46 interview to establish eligibility for enrollment in the Alliance program or to recertify their
47 enrollment in person; provided that the Mayor may require enrollees to complete one in-person
48 certification each year in Fiscal Years 2023, 2024, and 2025.

49 ““(c) Enrollees in the Alliance before April 1, 2025, shall be required to recertify his or
50 her enrollment every 6 months.

51 ““(d) Enrollees in the Alliance after March 31, 2025, shall be required to recertify his or
52 her enrollment on an annual basis.”.

53 “(b) Section 7c (D.C. Official Code § 7-1408) is repealed.

54 “(c) Section 7e (D.C. Official Code § 7-1410) is repealed.

55 “Sec. 5103. The Department of Health Care Finance Establishment Act of 2007, effective
56 February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 *et seq.*), is amended by
57 adding a new section 8c as follows:

58 ““Sec. 8c. DC HealthCare Alliance Reform Fund.

59 “(a) There is established as a special fund the DC HealthCare Alliance Reform Fund
60 (“Fund”), which shall be administered by the Department in accordance with subsection (c) of
61 this section.

62 “(b) Local funds appropriated in Fiscal Years 2021 through 2024 for the Department
63 which remain unspent at the close of each fiscal year shall be deposited into the Fund.

64 “(c) Money in the Fund shall be used exclusively within the Department of Health Care
65 Finance to fully fund reforms to the D.C. HealthCare Alliance Program, including:

66 “(1) Permanently eliminating the requirement for a face-to-face interview as a
67 recertification requirement for the DC HealthCare Alliance program; and

68 “(2) Extending the period of time before recertification of enrollment from 6 to
69 one year.

70 “(4)(A) The money deposited into the Fund, but not expended in a fiscal year
71 shall not revert to the unassigned fund balance of the General Fund of the District of Columbia at
72 the end of a fiscal year, or at any other time.

73 “(B) Subject to authorization in an approved budget and financial plan,
74 money in the Fund shall be continually available without regard to fiscal year limitation.”.

75 “Sec. 5104. Section 47-362(h) of the District of Columbia Official Code is amended to
76 read as follows:

77 “(h) Notwithstanding § 47-363, local funds appropriated for the Department of Health
78 Care Finance in Fiscal Years 2021, 2022, 2023, 2024, and 2025 shall not be reprogrammed to
79 other agencies unless the Council approves the reprogramming by resolution.”.

80 “Sec. 5105. Applicability.

81 “‘This subtitle shall apply as of August 8, 2021.’”.

82 **Rationale:**

83 This subtitle makes a number of necessary conforming statutory changes to D.C. Code to
84 effectuate the funding allocations approved in the Fiscal Year 2022 budget and corresponding
85 financial plan.

86
87 Section 2 of this legislation effectuates the Mayor’s commitment to fully eliminate the
88 requirement for face-to-face recertifications in Fiscal Year 2022. DHCF has identified \$544,815
89 of funding to reallocate internally within DHCF to absorb the cost of this subtitle. This subtitle
90 also pushes back the permanent implementation of Alliance reforms by one year, from beginning
91 in FY 2024 to beginning in FY 2026, because these reforms were not yet permanently funded on
92 a permanent basis. Without this amendment, on August 8, 2021, when temporary legislation
93 expires. The expiration of this temporary legislation could potentially create a gap of tens of
94 millions of dollars in FY 2024 if reforms are not delayed by one year.

95
96 Section 3 of repeals legislation that was approved by the Committee on Health “subject to
97 appropriations” last fall. This repealer allows all of the Alliance language to be consolidated into
98 Section 7b, which now contains all of the substantive provisions on Alliance recertifications.

99
100 Section 4 establishes a new non-lapsing fund named the DC HealthCare Alliance Reform
101 Fund. With the repeal of the Medicaid Reserve Fund in the Budget Support Act, there would no
102 longer exist any statutory authority to make funds for Alliance reforms non-lapsing, and unspent
103 funding would fall to the bottom line at the end of the fiscal, and not be used to effectuate
104 Alliance reforms.

105
106 Section 5 extends the prohibition established last year that prevented DHCF from
107 reprogramming funding to other agencies without receiving affirmative Council approval. This
108 restriction was established after \$28.3 million in unspent health care funding was reprogrammed
109 to cover a cost overrun in overtime spending at the Metropolitan Police Department.

110
111 Section 6 makes this section effective August 8, 2021, which is the date that the
112 temporary legislation expires.

113
114
115 **Fiscal Impact:**

116
117 This amendment utilizes the \$544,815 that was added to DHCF, Budget Activity 5003 –
118 Alliance Provider Payments in FY 2022 to effectuate the Mayor’s commitment to eliminate all
119 face-to-face recertifications in FY 2022. Additionally, this subtitle potentially saves \$18,945,170
120 in FY 2024 and \$25,907,635 in Fiscal Year 2025 by pushing the deadline for permanent Alliance
121 reforms back one full fiscal year.

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director
Fiscal Impact Statement

Jennifer Budoff – Budget Director

**LEGISLATIVE
MEETING:**
July 20, 2021

SHORT TITLE:
DC Healthcare Alliance
Conforming
Amendments and Non-
Lapsing Fund
Amendment Act of 2021

TYPE:
BSA Amendment

**REQUESTING
MEMBER:**
Councilmember Vincent
Gray

FISCAL IMPACT:
Funds are sufficient



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Conclusion

This amendment will not change the costs outlined in the fiscal impact statement for the underlying legislation, which found that funds are sufficient to implement the measure.

Background

The DC Healthcare Alliance Conforming Amendments subtitle makes several changes to the Fiscal Year 2022 Budget Support Act of 2021. First, the measure ensures that individuals enrolled in the DC HealthCare Alliance shall not be required to complete a face-to-face interview or recertification for enrollment in person in FY22. In FY23, FY24, and FY25, enrollees would be required to recertify twice a year, once in-person. In FY26, and beyond, enrollees will only be required to recertify once a year, over the telephone or through electronic means.

This amendment also establishes the DC HealthCare Alliance Reform Fund, which is a non-lapsing fund to capture unspent funds at the Department of Health Care Finance (DHCF) in FY21 through FY24. The measure requires deposited funds to be used for the Alliance reforms described above. The amendment also prohibits DHCF from reprogramming funds in FY21, FY22, FY23, FY24, and FY25 without Council approval.

Funds are sufficient to implement this amendment. This amendment is supplemented by an amendment to the Fiscal Year 2022 Local Budget Act of FY 2021, which includes \$544,815 to effectuate the FY22 proposed reforms to the Alliance recertification process. There is no cost to creating the DC HealthCare Alliance Reform Fund and giving the fund expenditure authority.



OFFICE OF THE GENERAL COUNSEL

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MEMORANDUM

TO: Councilmember Vincent C. Gray

FROM: Nicole L. Streeter, General Counsel *NLS*

DATE: July 20, 2021

**RE: Legal Sufficiency Determination for Amendment #1
to Bill 24-285, the Fiscal Year 2022 Budget Support
Act of 2021**

The measure is legally and technically sufficient for Council consideration.

This amendment would add a new subtitle K to Title V that would amend section 7b the Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1407) (“Act”) to modify the methods and requirements to recertify for enrollment in the DC HealthCare Alliance program, and repeals section 7c and the unfunded section 7e of the Act. The subtitle would further add a new section 8c to the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 et seq.) establishing as a special fund the DC HealthCare Alliance Reform Fund and amends D.C. Official Code § 47-362 to require Council approval of Department of Health Care Finance reprogrammings in Fiscal Years 2021 through 2025.

I am available if you have any questions.