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**Testimony of Andrew Patterson
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**Before the Committee on Health
Council of the District of Columbia**

Budget Oversight Hearing Regarding the Department of Health Care Finance

Good morning, Chairperson Henderson and Members of the Health Committee. My name is Andrew Patterson, and I am a Senior Counsel in the public benefits unit with Legal Aid DC¹. Thank you for the opportunity to testify about the Fiscal Year 2026 budget.

The mayor's proposed budget would devastate health coverage for many of the city's lowest-income and most vulnerable residents and represents a significant retreat from the District's years-long efforts to make sure all residents of our city have access to good quality health insurance, regardless of their socio-economic status or immigration status. Legal Aid DC strongly opposes these proposed cuts and urges the Council to reverse or mitigate these proposals as much as possible, including by increasing revenue on and closing loopholes that allow many of the City's wealthiest residents and businesses to avoid the impact of challenging budget times.

The Mayor's Proposal to Phase Out Alliance Coverage for Adults and Limit Health Coverage for Immigrant Children Would Leave Some of the City's Most Vulnerable Residents Without Access to Health Coverage in a Moment of Crisis

In her proposed budget, the Mayor seeks to severely limit the health coverage of immigrant children by moving them from the Immigrant Children's Program (ICP) to a

¹ Legal Aid DC is the oldest and largest general civil legal services program in the District of Columbia. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal legal system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. For more information, visit www.LegalAidDC.org.

vastly pared down Alliance plan.² This would be a devastating blow to the District's immigrant population. The new proposed Alliance plan for immigrant children will eliminate health services such as hospital care, specialty services and other health services currently covered by the ICP.³ These services are critical to ensuring that children in the District can grow up healthy, regardless of their immigration status.

Additionally, the Mayor proposes to fully phase out the DC Health Care Alliance program for adults by Fiscal Year 2028.⁴ Alliance currently provides coverage to over 25,000 District residents.⁵ If the Council approves these cuts, people in our community will be forced to go without care or wait until health problems become emergencies, which will ultimately cost the individual – and the District – more. More people will end up receiving emergency care they cannot pay for from DC medical providers and hospitals, care which would often be less expensive if caught or treated before it becomes a medical emergency.

The District of Columbia has long prided itself on providing health insurance coverage to all residents, regardless of income or immigration status. The Mayor's proposed budget would be a significant retreat from this commitment. We strongly urge the Council to reverse these cuts and protect health coverage for all of the city's residents, as the Council has done in the past even during challenging budget times.

Legal Aid DC Strongly Opposes Reinstating A 6 Month Certification Period And Face-To-Face Renewals for the DC Health Care Alliance Program

The Mayor's proposed budget also seeks to bring back 6-month certification periods for the reduced coverage, children-only DC Health Care Alliance, as well as requiring face-

² Fiscal Impact Statement -- Fiscal Year 2026 Budget Support Act of 2025, p. 43.

³ *Id.* (stating that health services for children in the Alliance in FY '26 will consist only of primary care, dental care, and behavioral health services.)

⁴ *Id.*, p. 44.

⁵ District of Columbia Department of Health Care Finance – Monthly Enrollment Report, February 2025, available at: https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/MCAC%20Enrollment%20Report%20-%20February%202025.pdf.

to-face interviews.⁶ Legal Aid DC strongly opposes the return of this burdensome and ineffective policy. When this same policy was implemented in 2011, the District saw a precipitous drop in enrollment in the Health Care Alliance, from over 25,000 District residents received health coverage through the Health Care Alliance in October 2010⁷ to only 15,000 enrollees in 2013, with enrollment remaining at that level until the COVID19 pandemic hit, and renewals were suspended.⁸

When renewals restarted in July 2022, the District eliminated the face-to-face interview requirement and extended certification periods to 1 year effective in October 2022.⁹ Although DHCF data did show an initial decline in Alliance enrollment during late 2022 and early 2023 as renewals restarted for the first time in over two years, enrollment in the Alliance steadily rose in 2023¹⁰ and 2024,¹¹ and the most recent data available shows enrollment in the Alliance program has again topped 25,000.¹²

⁶ Fiscal Impact Statement -- Fiscal Year 2026 Budget Support Act of 2025, pg. 44.

⁷ Monthly Medicaid and Alliance Enrollment Report, February 2012, available at: <https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/publication/attachments/MCACEnrollmentReport0212.pdf>

⁸ *Id.* DHCF enrollment reports throughout the 2010s show Alliance enrollment remaining generally consistent at approximately 15,000 enrollees during any given month.

⁹ Alliance & ICP Renewal Information, available at: <https://dhcf.dc.gov/alliance-icp-renewal-faq>.

¹⁰ DHCF Monthly Enrollment Report – FY 2023, available at: https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/MCAC%20Enrollment%20Report%20-%20FY%202023-FY%202025%20as%20of%202024-12-02.pdf.

¹¹ DHCF Monthly Enrollment Report, Period of December 2023 – December 2024, available at: https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/MCAC%20Enrollment%20Report%20-%20January%202025.pdf.

¹² DHCF Monthly Enrollment Report, May 2025, available at: https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/MCAC%20Enrollment%20Report%20-%20May%202025.pdf.

The 6-month certification period and face-to-face interview requirement created barriers for otherwise eligible residents and prevented them from maintaining their Alliance enrollment, including waiting in long lines at ESA Service Centers. As many as 67% of renewals were never completed, and they created an increased burden on DHS staff.¹³ Enrollees reported having to make multiple trips to ESA service centers because those centers were limited in how many Alliance renewals they could process on many days.¹⁴ DC can expect to see a similar drop in enrollment, and poorer health outcomes if it brings back these barriers.

Reintroduction of these failed policies at this time is particularly dangerous for the city's immigrant community, given the federal government's efforts to intimidate and scare immigrants with threatened (or actual) deportations, which may further dissuade them from signing up for and enrolling in benefits they qualify for. Legal Aid DC is concerned that reintroducing these policies, policies which we know from experience leave eligible people without essential coverage, is a calculated effort to save money by minimizing the number of enrollees who will choose to utilize Alliance coverage after these changes. The District should not use the current climate of intimidation and fear as a cost-saving measure. Even if the ICP is eliminated and children are moved to the proposed more restrictive Alliance program, Legal Aid urges the Council to maintain 1 year certification periods for the Health Care Alliance and not require face-to-face interviews for applications and recertifications.

Legal Aid Opposes Elimination of Full Medicaid Coverage for Childless Adults Between 133% and 217% of the Federal Poverty Level

The Mayor's proposed budget would also eliminate full Medicaid coverage for childless adults and caretakers and place most of them in a new Basic Health Plan. Legal Aid DC is concerned that transitioning this population to a Basic Health Plan will lead to reduced quality of health coverage, potential increases in costs, and further administrative burdens and confusion of the kind that have resulted in improper terminations of coverage in the past.

¹³ *Id.*

¹⁴ *Id.*

The DC Medicaid program is a robust health insurance program that covers services above and beyond what is required under a Basic Health Plan.¹⁵ Health services such as dental care and home-health care are covered services for DC Medicaid enrollees but are not required under a Basic Health Plan. Additionally, Basic Health Plans allow for the District to impose cost-sharing amounts, such as premiums or other cost-sharing, on enrollees.¹⁶ The District's Medicaid program, by contrast, imposes virtually no cost-sharing on any enrollee beyond a very small co-pay for prescription drugs.¹⁷ Pushing this population out of Medicaid and into a Basic Health Plan would likely mean less health care coverage, potentially at a higher cost, for a segment of our city that is already low-income and struggling to make financial ends meet.

Legal Aid DC is very concerned about the logistical and administrative challenges of transferring this population from full Medicaid coverage to a newly created Basic Health Plan. As demonstrated by the restart of Medicaid and Alliance renewals after the end of the pandemic-era public health emergency, transition points very often result in people losing their health coverage -- not because they no longer qualify, but because they struggled to make it through administrative barriers. During last year's budget season, Legal Aid DC testified about continued low renewal rates for Medicaid enrollees, noting at the time that nearly 30% of those due to enroll had not done so,¹⁸ and that the majority of those terminations were due to problems with renewals, not determinations of ineligibility.¹⁹

¹⁵ See 42 U.S.C. § 18501(a)(1) (requiring Basic Health Plans to cover only the "Essential Health Benefits" as defined by the Affordable Care Act.).

¹⁶ *Id.* at §18051(a)(2). (Additionally, the Fiscal Impact Statement from the Mayor states that a Basic Health Plan will be available at "little to no cost," thus the Mayor does not commit to a plan that will not charge some amount to enrollees.).

¹⁷ See DHCF "Comparing Programs for Medicare, Medicaid, and Long-Term Services and Supports in the District," available at: https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/Duals%20%26%20LTC%20Program%20Comparison_032022_clean.pdf.

¹⁸ Medicaid and Alliance Recertification Outcomes, January 2024, p. 18. Available at: <https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/Redetermination%20Report%20January%202024.pdf>.

¹⁹ *Id.*, p. 23-24.

If this population is indeed transitioned out of full Medicaid coverage, that transition would require correct identification of individuals who must be transitioned, successfully providing those individuals with adequate and timely notice of their transition, potentially gathering additional eligibility information, and successfully transitioning everyone who qualifies for the new Basic Health Plan with no break in coverage. Additional uncertainties include whether the current Managed Care Organizations will want to participate in a new Basic Health Plan; what specific health benefits, especially any benefits beyond the federally-required essential health benefits, will be covered for enrollees, and whether DHCF and DHS have all the information necessary on enrollees who will be affected to make any transition as seamless as possible. For any transition of this population to succeed without interruptions of care, the Budget Support Act must include specific benchmarks and timelines for effectuating this transition, and the Council must conduct vigorous oversight to ensure DHCF and the Health Benefit Exchange are meeting those benchmarks.

Legal Aid Opposes the Mayor's Proposal to Limit Pay Increases to Direct Care Service Professionals

In this proposed budget, the Mayor also seeks to undo significant progress that has only recently been achieved regarding pay equity for Direct Care Service workers.²⁰ Advocates have raised concerns and testified about the shortage of direct care workers, including home health aides in particular, for the past several years. A 2024 DC Board of Nursing survey showed a reduction of more than 20% in licensed home health aides between August of 2023 and January of 2024.²¹ The experience of Legal Aid's clients bears this out: we have served multiple clients who were not receiving the full number of home health hours, for which they had been medically approved, because home health agencies either did not have adequate staff or had trouble finding staff willing to accept shifts of a shorter duration.

Last year, the Council passed and the Mayor signed the Direct Care Worker Amendment Act of 2023. Among other things, this law established a new minimum wage for direct care workers that is to be not less than 117.6% of the district's living wage.²² This pay

²⁰ Fiscal Impact Statement -- Fiscal Year 2026 Budget Support Act of 2025, p. 47.

²¹ DC Board of Nursing Survey, available at: https://www.dclongtermcare.org/wp-content/uploads/2024/02/Final-Jan-2024_Updated.pdf.

²² Direct Care Worker Amendment Act of 2023, available at: <https://lims.dccouncil.gov/downloads/LIMS/54229/Introduction/B25-0565-Introduction.pdf>.

increase is an important step toward addressing the staffing crisis among home health agencies that serve people in the Medicaid program and the EPD waiver program who need home health services due to their age or disability. Limiting this change to only one pay increase in July of 2025 will mean that wages for this critical group of workers are not sufficiently competitive, and the staffing shortages will continue for home health agencies. As Legal Aid DC has previously testified, the risk that Medicaid or EPD waiver enrollees will injure themselves (or worse) and / or require moving to a long-term care facility increases when they are unable to receive their full, medically-necessary home health services.

The Burdens Of A Challenging Budget Should Not Fall Entirely on Lower-Income DC Residents

The Mayor's proposed budget will impose significant cuts and reductions in access to health care on some of the District's most vulnerable residents, including low-income immigrants and immigrant children, low-income childless adults, and people who require home health services to avoid institutionalization. Yet many of these proposed cuts can be avoided or at least significantly reduced if the Council takes a fairer approach to these challenging budget times than what has been proposed by the Mayor. The DC Fair Budget Coalition has proposed numerous ways the District could raise additional revenue – including increasing taxes on the District's wealthiest residents, increasing taxes on capital gains which disproportionately favor the wealthy, and implementing a Business Activity Tax to close a loophole for businesses that do not pay any DC taxes – revenue which would make up for significant portions of the expected reduction in federal dollars.²³ Legal Aid DC urges the Council to consider revenue enhancements such as those proposed by the Fair Budget Coalition and Just Recovery DC²⁴ so that vulnerable DC residents who are least equipped to weather the budget storm are not left bearing the greatest burden.

²³ Fair Budget Coalition FY '26 Budget Platform, available at: [Digital_FBC_FY26-Budget-Platform.pdf](#).

²⁴ Just Recovery DC, All in for DC's Tax Platform, available at: <https://justrecoverydc.org/our-platform>.