

**Testimony for Public Hearing on the FY 2014 Budget of the  
Department of Health Care Finance**

**Council of the District of Columbia Committee on Health  
April 11, 2013 at 10:00am**

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The Legal Aid Society of the District of Columbia is pleased to support the proposed \$26.1 million increase to the Department of Health Care Finance (DHCF) budget for FY 2014, as those additional funds are crucial to ensuring the proper functioning of the Department. The increase is especially important during this time of transition, as the District implements health reform while also continuing to serve the hundreds of thousands of residents who currently receive coverage through Medicaid, DC Healthy Families, or the DC Healthcare Alliance.

Legal Aid is also encouraged by the proposed increase to DHCF's staffing levels in FY 2014. DHCF needs more staff to properly carry out its regular duties as well as the additional responsibilities related to the implementation of health reform in the District. Our understanding is that six of the 17 new staff persons that DHCF intends to hire in FY 2014 will be dedicated to the long-term care unit. We hope this increase will permit DHCF to dedicate staff to focus on coordinating with the Economic Security Administration (ESA), the DC Health Benefit Exchange Authority, and other agencies that will be participating in the implementation of health reform in the District. Legal Aid will also be asking the Committee on Human Services to ensure sufficient staffing in ESA as we move closer to health care reform implementation.

One area of concern in DHCF's FY 2014 budget is the drastic decrease in the budget for the DC Healthcare Alliance program. The FY 2014 budget proposes a cut of nearly \$9 million to the Alliance program compared to the actual budget in 2012. DHCF stated that the reason for this dramatic decrease is that new recertification policies for the Alliance have resulted in a decline in Alliance enrollment, which in turn resulted in a lower enrollment forecast for FY 2014. Legal Aid opposes this cut in the Alliance budget. We urge this Committee to support the reversal of the 6-month recertification requirement and encourage increased coordination between DHCF and ESA to ensure continuous coverage for Alliance recipients.

Legal Aid finds both the decrease in the Alliance budget and the underlying reasoning troubling. The new recertification requirement DHCF references is the mandate that Alliance

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<sup>1</sup> Sponsored by the Norflet Progress Fund.

<sup>2</sup> The Legal Aid Society of the District of Columbia was formed in 1932 to "provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs." For more than 80 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid has been practicing in the area of public benefits for a number of years, representing clients with Medicaid, DC Health Care Alliance, Qualified Medicare Beneficiary, and other medical assistance cases.

recipients recertify in person at ESA every 6 months. This rule has proved onerous both on Alliance beneficiaries and on ESA staff; because ESA does not have sufficient capacity to handle the increased need for face-to-face meetings, the agency's current staff are overworked, and Alliance beneficiaries cannot complete their recertification requirements in a timely fashion. Despite the need for additional ESA staff in this area, however, DHCF's budget specifically lists a decrease in "staff to support efficient operations" for the Alliance program.

While we support reasonable efforts to ensure that only District residents receive Alliance benefits, we believe that this requirement has prevented many eligible District residents from obtaining Alliance benefits because of the delays and inefficiencies associated with the recertification process. Legal Aid has seen an increase in our own intake of individuals who were terminated from the Alliance despite inadequate notice. Other clients report going to ESA to complete their interview, only to wait all day without seeing anyone and ultimately being told to come back another day. Over the same period of time, there has been a consistent and significant slide in Alliance enrollment—a decrease of over 4,000 enrollees in just the last year.

The District government should not be saving money by denying access to benefits—through inefficiency and insufficient staffing—for otherwise eligible individuals in the name of fraud prevention. Instead, we propose that DHCF focus on coordinating with ESA to ensure that eligible residents do not lose coverage based on difficulties recertifying while also ensuring that Maryland and Virginia residents do not get Alliance benefits.

Another concern with the Alliance Program is the improper billing of Alliance recipients for emergency services. On October 1, 2012, coverage of emergency services for Alliance recipients was transferred from the Alliance program to Emergency Medicaid. This new rule requires that instead of billing Alliance managed care organizations for emergency care provided to Alliance recipients, hospitals and other emergency care providers should submit claims directly to DHCF for reimbursement through Emergency Medicaid. Since this change was made, however, Legal Aid has served an increasing number of Alliance recipients who have received improperly bills for emergency care that should be paid by Emergency Medicaid. While Legal Aid has or is working with individuals in this situation, we are concerned that many others who have not sought legal assistance do not understand that they should not be billed for emergency care. These individuals may be struggling to pay the high cost of their services or are being harassed by billing or collection agencies.

This problem suggests a lack of coordination between DHCF, hospitals, and Alliance managed care organizations. It also demonstrates a lack of oversight of claims processing by emergency service providers. The FY 2014 Alliance budget should include sufficient funds to address these issues, including outreach to area hospitals, and efforts to cease improper billing of Alliance beneficiaries for emergency services.

Legal Aid appreciates the opportunity to submit comments on the DHCF FY 2014 budget, and urges DHCF to reconsider its cuts to the Alliance program.