



**Testimony for Public Oversight Roundtable on
the District of Columbia Health Benefit Exchange Authority**

**Council of the District of Columbia Committee on Health
May 13, 2013 at 11:00am**

**Stephanie Akpa
Staff Attorney/Equal Justice Works Fellow,¹ Public Benefits Unit
Legal Aid Society of the District of Columbia²**

The District of Columbia Health Benefit Exchange Authority (“Exchange”) has promoted stakeholder engagement from its inception—encouraging a diverse group of stakeholders to take part in the process of building the District’s Exchange from the ground up. Legal Aid is proud to have been one of the many groups who took part in the implementation process by, among other things, participating in the Network Adequacy, Churn, Plan Offerings and QHP Benefit Standardization, and Policy IT working groups. In addition, Legal Aid is represented on the Consumer Assistance and Outreach Advisory committee. At each working group or committee meeting, representatives of consumer advocate groups, insurance carriers, brokers, and small businesses have had the opportunity to voice thoughts and concerns and make a unique contribution to the ultimate policy decisions adopted by the Exchange Executive Board. Legal Aid applauds the Exchange Executive Board for its open and inclusive process thus far, and encourages the Exchange Executive Board to continuously solicit stakeholder input even after open enrollment begins on October 1, 2013.

After considering stakeholder input regarding the particular needs of District residents and small businesses and closely examining the distinct characteristics of the District, including its small size compared to states and the stark disparities in health care coverage, the Exchange Executive Board developed a legislative package that will provide the foundation for a strong Exchange—one that promotes consumer choice, affordability, and transparency through the creation of one big insurance marketplace. My previous testimony to this Committee has focused on Legal Aid’s support for the Exchange Board’s proposed legislative package as an advocate for consumers in the individual market. My testimony today will focus on why Legal Aid, as a small business that will be part of the SHOP (and therefore the unified market), also supports the implementation of the Exchange and the creation of a unified insurance marketplace.

First, a unified marketplace will promote freedom of choice. The Exchange Board’s proposed legislative package permits insurance carriers to sell as many plans as they choose within the Exchange. Moreover, all of the District’s major insurance carriers have expressed

¹ Sponsored by the Norflet Progress Fund.

² 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.” Over the last 81 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, and Qualified Medicare Beneficiary cases.

their intent to participate in the Exchange. As a result, small businesses will have access to the full array of insurance plan options in one place, and will be able to compare and select the plan that best fits their needs. Many small businesses have never had the opportunity to make a side-by-side comparison of all of their insurance options. The SHOP will allow them to do just that, enhancing their ability to provide their employees with quality affordable health care.

Second, a unified marketplace will increase transparency, regulation, and oversight. The Exchange has built-in consumer protections that, among other things, require insurers to publish prices and benefits so that small businesses can make side-by-side comparisons. It also requires that insurance carriers provide information regarding the adequacy of their provider networks. By having one big market, the Exchange and the Department of Insurance, Securities, and Banking can more easily monitor insurance carriers to ensure that they are in compliance with federal and District law.

Third, a unified marketplace will help address a competitive disadvantage that small businesses have had vis-à-vis larger companies—a lack of purchasing power. By uniting the individual market and small group market, small businesses will have better access to the lower costs and better benefits that larger companies have long enjoyed. A larger pool will work to spread risk over more individuals, thus creating better prices for the entire market. The improved purchasing power as a result of this pooling will also have the effect of stabilizing premiums over time.

The plan that the Exchange Executive Board has developed will create a strong, viable Exchange that is good for consumers and good for small businesses. Legal Aid supports the Exchange Executive Board's legislative package and urges this Committee to affirm its commitment to ensuring that every District resident has access to quality health care by supporting the legislative package as well.