



January 20, 2015

Kevin Lucia, Chair
Insurance Market Working Committee DC Health Benefits Exchange
1225 Eye Street, NW, Suite 400
Washington, DC 20005

Re: District of Columbia Health Benefits Exchange Proposed Assessment Rule

Dear Mr. Lucia,

On behalf of the District of Columbia Association of Health Plans (DCAHP), I am writing to comment on the proposed recommendations that were drafted by the District of Columbia's Health Benefit Exchange (HBX) staff for the Insurance Market Working Committee regarding Plan Year 2016 Qualified Health Plan (QHP) Certification.

DCAHP consists of six (6) Managed Care Organizations (MCOs), including Medicaid and Commercial member plans that provide high quality, cost effective health care coverage to over 200,000 District of Columbia residents. During its history, the Association has served as a partner with the District and other stakeholders in developing an efficient and effective healthcare delivery system.

As you are aware, DCAHP and its member plans have been actively engaged with the HBX in the efforts to implement the federal mandates of the federal Affordable Care Act (ACA). In that regard, representatives of our member plans have participated on all of the Working Groups advising the HBX. In short, our member plans have sought to help the District develop the most effective, efficient and accessible Exchange possible.

DCAHP therefore appreciates the opportunity to review and comment on the staff recommendations for the Plan Year 2016 Qualified Health Plan (QHP) Certification.

The HBX's proposed recommendations focus on four key issues surrounding the QHP certification process: network adequacy, review of rates, quality, and non-discrimination provisions. On the whole our member plans have expressed their support for a number of the recommendations and therefore urge HBX to adopt and implement those recommendations. However, our point of departure concerns the proposed dual regulatory approach for the review of rates. To be frank DCAHP does not support nor recommend that any agency, other than the existing regulatory authority for insurance, the Department of Insurance, Securities, and Banking ("DISB"), continue the responsibility to review and qualify rates for the District's insurance market. DISB's critical role in the rate review process has been transparent, cost effective and sustainable.

As noted by AHIP in its comments on the recommendations "Rate review is not a cost containment strategy, and arbitrarily capping premiums without focusing on the increasing costs of medical services will jeopardize solvency and undermine the coverage that consumers count on today. Sound rate review should be based on actuarial standards and principles. Given the federal approval of DISB's rate review program, there is no justifiable need to require an enhanced process of rate review within the HBX. Additionally, it serves as an unnecessary and administratively confusing dual regulatory environment that will impact consumers and carriers alike. Further, by publicly posting non-DISB actuarial reports, which do not take into consideration the full breadth of information that DISB's review does, the HBX introduces further confusion and unnecessary politicking in what should be a focused and balanced review.

DCAHP and AHIP also have concerns that, given the single market in the District for the individual and small group, the process of hiring actuarial analysts is an unnecessary and costly expense for the HBX that attempts to effectively supersede the Commissioner's authority to determine rates and evaluate solvency. Per Section 14(a) of DC statute that establishes the HBX: "Nothing in this act, and no action taken by the Authority pursuant to this act, shall be construed to preempt or supersede the authority of the Commissioner to regulate the business of insurance within the District." Further, Section 10(b)(2) of the DC statute provides that the Authority shall not withhold certification from a health benefit plan, "[t]hrough the imposition of premium price controls by the Authority." Per Section 10(a)(2) of that same statute, it clearly states that plans must "obtain prior approval of premium rates and contract language from the Commissioner" in order to be certified as a QHP.

We acknowledge the HBX's responsibility to evaluate rates as part of its ACA and DC statute authority to certify plans, evaluate premium justifications, and determine whether making plans available through the exchanges is in the interest of qualified individuals and qualified employers. We support the HBX's efforts to understand and apply the approved rates as part of the equation that is used to determination certification as a QHP. However, we do not support the interjection of the HBX in attempting to usurp DISB's established and approved regulatory authority as the rate authority in the District.

AHIP also notes that CMS defers to effective rate review programs, when they review plans for QHP certification in the federally facilitated marketplaces. Further, they consider more than just rate increases and rely on the state regulator to provide the necessary context and rationale when considering QHP certification."

Quality of Health Plans

DCAHP joins with AHIP in support of the recommendations in terms of the quality of health plans.

Non-Discrimination Provisions

DCAHP supports review of QHP's benefit designs for any non-discrimination. We request that the HBX publish the CCIIO tools they are using as their procedure for such review, so that our member plans understand and utilize those same tools' standards as they review their own QHP filings. We agree with AHIP that the need does not exist for DISB or HBX to promulgate guidance with examples of discriminatory benefit design. We are concerned that could be a form of informal rulemaking, without the benefit of the regulatory process of openness and opportunity for comment that carriers and other stakeholders would expect.

As noted DCAHP supports the recommendations about the quality and non-discrimination provisions for QHP certification. However, we encourage the HBX to consider the time and administrative burdens that will come with establishing an online provider directory for the small group market.

On the other hand, our member plans do have serious and significant concerns as regards the review of rates and the recommendations made by the HBX staff. It is our opinion that given the other responsibilities and priorities of the HBX, we would strongly urge you to eliminate any attempt to serve as a dual regulator within the District, as relates to rate review. DCAHP is of the view that in light of the burden of work ahead for all concern, the HBX should continue to concentrate on its most pressing priorities.

Thank you for the opportunity to provide our comments. DCAHP and our member plans have noted our concerns with the dual regulatory rate review process. We therefore appreciate your time and consideration of our comments and recommendations. If you have any questions or would like additional clarification of these comments, please feel free to contact me directly. I can be reached by telephone (202-250-4958) or by email (dwwdc1@gmail.com).

David W. Wilmot

A handwritten signature in black ink, appearing to read 'David W. Wilmot', with a long horizontal line extending to the right.

Executive Director

