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Testimony before the

Council of the District of Columbia

Committee on Health

FY19 Budget Hearing

for the

Department of Health Care Finance

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Presented by

Justin Palmer

Vice President, Government Relations

April 19, 2018

Good Afternoon Chairman Gray and members of the Committee on Health, my name is Justin Palmer, and I am Vice President of Government Relations for the District of Columbia Hospital Association (DCHA). I appreciate the opportunity to present testimony at the Department of Health Care Finance's Fiscal Year 2019 Budget Hearing. As you know, DCHA represents the interests of 14 member hospitals. Our mission is to provide leadership in improving health care in the District of Columbia. In 2017, DC hospitals provided over 1.1 million days of patient care and handled nearly 500,000 visits to our emergency departments. Our hospitals provide care to residents from all eight wards, our neighbors in Maryland & Virginia, visitors from across the country, and from all over the world. Our members are committed to providing high quality care to everyone that walks through their doors and ensuring access to care for every resident of the District of Columbia.

Chairman, DCHA and our members thank you for your continued support of the Medicaid and Alliance programs. Your work to increase the outpatient hospital rates for the first time in several decades continues to have an impact on our ability to meet the needs of our patients.

We also want to thank Director Turnage and his staff for the incredible work they do every day to ensure that District beneficiaries have access to the services they need when they need them. The importance of this work cannot be overstated since the Medicaid and Alliance programs insure about 2 in 5 residents in the District.

The Mayor's FY2019 Budget continues this commitment to coverage through sustained investment in these programs. DCHA supports the Mayor's additional \$40.8 million investment in Medicaid to ensure coverage. Drivers for the increase include increased growth in childless adult enrollment and growth in Medicaid Elderly and Persons with Physical Disabilities (EPD) Waiver Program enrollment.

As you are aware, the local funds provided in the budget are only sufficient to fund inpatient hospital rates at 86% of cost with the expiration of the provider fee. To prevent the loss of nearly \$30 million to DC hospitals, the industry supports the renewal of the provider fee in an amount needed to maintain rates at the 98% average. This effort has the support of the Mayor and Director Turnage, and we look forward to working with the committee staff to have the necessary BSA subtitles added. Any reduction could be catastrophic to our hospitals, especially our safety-net providers. Additionally, we are requesting a continuation to the outpatient supplemental payment program, which bridges the gap between the 77% outpatient rate and the Medicaid Upper Payment Limit to maximize the drawdown of federal funds by the District.

Finally, regarding the Medicaid Disproportionate-share Hospital (DSH) Program, we are happy to support the Bowser Administration's funding allocation to the DSH pool for FY19. This funding is essential

to the hospitals that serve as the safety-net for the District of Columbia. We also believe that as the Department advances its Value-Based Purchasing plans, the unused fund in our DSH allocation could be utilized to support these endeavors, though the District would have to allocate additional local funds to support this initiative.

Thank you for allowing me to testify today, and I am happy to answer any questions you may have.