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March 5, 2018

The Honorable Vincent C. Gray
Chairman, Committee on Health
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 406
Washington, D.C. 20004

Dear Chairman Gray,

I write today to provide comments for the record for the Committee on Health's Performance Oversight Hearing on the Department of Health Care Finance, which was held on February 23, 2018. DCHA, our members, and the Department of Health Care Finance are central partners in ensuring the healthcare needs of District residents and visitors are met. We are happy to report that DCHA continues to work successfully and collaboratively with the Department of Health Care Finance under the leadership of Director Wayne Turnage on many issues.

One of these issues is the DC Medicaid program, which plays an important role in our hospitals' ability to provide access to care. For instance, our three-acute care safety-net hospitals have payer mixes made up of over 80% government funded health insurance. The District's hospitals are lucky to have a government that has made a commitment to coverage. Along with widespread health coverage, reimbursement rates are also critical to ensuring access for patients across the District. Currently, inpatient and outpatient rates are supported with roughly \$15 million in provider fees, which are paid by the hospitals.

DCHA is concerned, however, with recent and current federal proposals to change the Medicaid program. Such changes are represented in Affordable Care Act repeal attempts, the President's Fiscal Year 2019 Budget, and even legislation to reduce the District's FMAP percentage. With issues such as these, we look forward to working with the Department of Health Care Finance, the Committee, and other stakeholders to ensure that the Medicaid program is strong now and in the future.

DHCF and DCHA also work together to support Medicaid disproportionate-share hospital (DSH) funding which supports our safety-net providers. DCHA would like to acknowledge the work of Director Turnage to maintain funding. In the future, we are hopeful that we can work with Director Turnage to utilize the remaining DSH pool pilot projects that improve care and reduce costs.

Finally, as the move to value-based purchasing continues, DCHA is currently in the process of working with Managed Care Organizations (MCOs) on the implementation of value-based purchasing provisions in MCO contracts. We are hopeful that such dialogue will lead to a successful implementation of value-based purchasing provisions. Overall, DCHA is committed to continued engagement with the Department and other stakeholders in developing a value-based purchasing

program that ensures the needs of the District's residents are being met and its dollars are being spent wisely while adequately preparing our members.

DCHA looks forward to continuing to work with the Committee and the Department of Health Care Finance on issues important to our hospitals and District residents. If you have questions, please feel free to reach out to me at (202) 289-6212 or jpalmer@dcha.org.

Sincerely,

A handwritten signature in cursive script that reads "Justin J. Palmer".

Justin Palmer
Vice President, Government Relations

CC: Councilmember Nadeau, Councilmember Todd, Councilmember Cheh, and Councilmember Grosso