

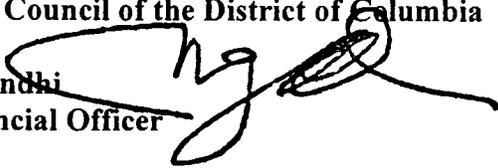
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar Gandhi 
Chief Financial Officer

DATE: AUG -5 2005

SUBJECT: Fiscal Impact Statement: "Health Maintenance Organization
Amendment Act of 2005."

REFERENCE: DRAFT – No Bill Number

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the "Health Maintenance Organization Amendment Act of 2005." The proposed legislation has no fiscal impact beyond administrative costs which can be absorbed by the current Department of Insurance, Securities and Banking budget¹.

Background

The "Health Maintenance Organization Amendment Act of 2005" amends the Health Maintenance Organization Act of 1996 to strengthen various administrative and regulatory provisions including: the requirements to establish a new health maintenance organization (HMO); the hold harmless provisions, requiring notice to enrollees and providers; the standards for suspension of an HMO's license; standards for marketing and advertising documents; and standards to reimburse non-participating hospitals for emergency services provided to a Medicaid enrollee.

Financial Plan Impact

The proposed legislation has no fiscal impact; any nominal costs in administration will be absorbed by the current Department of Insurance, Securities and Banking budget.

¹ The Department of Insurance Securities and Banking Budget Index – Fund: 2100; Index: 2105; Program Code: 2050; Comp. Source: 01; Line Item: Personal Services.