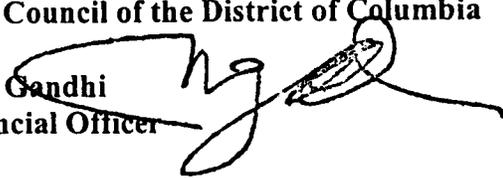


**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer
MEMORANDUM

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

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JAN 26 2006

SUBJECT: Fiscal Impact Statement: "Health Care Privatization
Amendment Act of 2005"

REFERENCE: Draft Legislation

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation would amend the Health Care Privatization Amendment Act of 2001 to allow Health Maintenance Organizations (HMOs) in the District to provide health care services for indigent District residents enrolled in the HealthCare Alliance.

The Health Care Safety Net Administration (HCSNA) within the Department of Health (DOH) proposes to move a population of indigent residents enrolled in the Alliance from a hybrid fee for service contract to an HMO plan. The proposed legislation would allow these residents to be covered by a plan under the Medical Assistance Administration's existing contracts with HMO providers. Health services provided to this population will continue to be funded as before, but will be handled in a managed care environment.

Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to fund this legislation as no additional spending is required.