

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



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: October 14, 2026

SUBJECT: Fiscal Impact Statement – Streamlining Medicaid Credentialing
Amendment Act of 2026

REFERENCE: Bill 26-523, Draft Committee Print as provided to the Office of Revenue
Analysis on September 29, 2026

Conclusion

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill costs \$4 million (\$2.2 million Local; \$1.8 million Federal) in fiscal year 2027 and \$16 million (\$8.8 million Local; \$7.2 million Federal) over the financial plan.

Background

Providers that participate in the District's Medicaid program first complete an enrollment process with the Department of Health Care Finance (DHCF) using its Provider Data Management System (PDMS). The enrollment process includes a site visit, a criminal background check, and fingerprinting. After completing enrollment, the provider completes a separate credentialing process with each individual Managed Care Organization (MCO). Each MCO operating in the District must credential providers in their network to verify that a provider is qualified to deliver care to the plan's enrollees. Credentialing verifies a provider's license, experience, certifications, education, training, malpractice and adverse clinical occurrences, clinical judgment, technical capabilities, and character. Currently, if a provider is in network with all five of the District's MCOs, the provider must be credentialed five separate times, which is administratively duplicative. In addition, providers must be recredentialed every three years.

The Honorable Phil Mendelson

FIS: "Streamlining Medicaid Credentialing Amendment Act of 2026," Bill 26-523, Draft Committee Print as provided to the Office of Revenue Analysis on September 29, 2026.

The bill requires¹ that DHCF develop, by January 1, 2028, a single, centralized application process for providers seeking to be credentialed or recertified with the District's MCOs. A provider whose credentials are approved must be deemed credentialed with all MCOs, and an MCO may not require a provider to be separately credentialed.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill costs \$4 million (\$2.2 million Local; \$1.8 million Federal) in fiscal year 2027 and \$16 million (\$8.8 million Local; \$7.2 million Federal) over the financial plan.

DHCF does not have a system in place to centralize credentialing and must contract with an external vendor to implement one. This vendor will source PDMS enrollment data to create a single credentialing application for each enrolled Medicaid provider. The vendor will need twelve months to develop, configure, and test a credentialing system and process. This implementation phase will cost \$4 million (\$2.2 million Local; \$1.8 million Federal) in fiscal year 2027. Once implementation is complete in fiscal year 2028, the provider credentialing system will cost \$4 million annually to operate (\$2.2 million Local; \$1.8 million Federal). The bill will cost \$16 million (\$8.8 million Local; \$7.2 million Federal) over the financial plan.

Streamlining Medicaid Credentialing Amendment Act of 2026 DHCF Total Costs (\$ thousands)					
	FY 2027	FY 2028	FY 2029	FY 2030	Total
Local	\$2,200	\$2,201	\$2,201	\$2,202	\$8,803
Federal	\$1,800	\$1,800	\$1,801	\$1,801	\$7,203
Total	\$4,000	\$4,001	\$4,002	\$4,003	\$16,006

- a) Assume an administrative Federal Matching Assistance Percentage of 45 percent.
- b) Assumes 109 provider types and 54,545 active providers.

¹ By amending The Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 et seq.).