


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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: November 19, 2009

SUBJECT: Fiscal Impact Statement: "Residency Criteria Amendment for the HealthCare Alliance Program Approval Resolution of 2009"

REFERENCE: Draft Resolution – No Number Available

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed resolution. The proposed resolution would result in a one-time positive impact of \$8.9 million in FY 2010.

Background

The proposed resolution would approve rules¹ that provide a clear list of the forms that can be used to verify residency in the District of Columbia, as well as options for those who cannot supply such forms,² for the purpose of enrolling in the D.C. HealthCare Alliance. Specifically, they would replace the current rules in Section 3304.4, Section 3304.7, Section 3304.8, and Section 3304.9 of Chapter 33 (Health Care Safety Net Administration) of Title 22-B (Public Health and Medicine) of the District of Columbia Municipal Regulations.

These rules were passed on an emergency basis on August 27, 2009, went into effect on September 15, 2009, and are set to expire on December 25, 2009. This resolution would make these rules permanent.

¹ Pursuant to § 7a of the Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code §7-1405.01).

² For instance, if the person is homeless.

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the provisions of the proposed resolution. By amending the rules regarding verification of residency for enrollment in the D.C. HealthCare Alliance, the Department of Health Care Finance (DHCF) estimates that 12 percent of the current participants would not be able to prove residency under the new criteria and would be disenrolled.³ As a result, it is estimated that DHCF would save \$8.85 million in FY 2010. In future years, there would be no direct cost savings.

Fiscal Impact of Change in Residency Verification for the D.C. HealthCare Alliance Program					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Total Net Savings	\$8,851,587	\$0	\$0	\$0	\$8,851,587

Notes:

- Reflects the savings due to the emergency rulemaking, as well as the proposed resolution.
- Assumes that the emergency rules had a financial impact starting on October 1, 2009.

³ This disenrollment would happen at the time of redetermination of eligibility. Redetermination occurs on a rolling basis and for an individual is 12 months after the date of enrollment.