

May 30, 2013

The Honorable Yvette Alexander
Chairwoman, Committee on Health
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Ave, NW
Washington DC 20004
Via email: yalexander@dccouncil.us

The Honorable Phil Mendelson
Chairman, Committee of the Whole
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Ave, NW
Washington DC 20004
Via email: pmendelson@dccouncil.us

Dear Chairwoman Alexander, and Chairman Mendelson:

As District of Columbia small employers (those with fewer than 50 employees), we write to express our support for B20-240, the Better Prices, Better Quality, Better Choices for Health Coverage Amendment Act of 2013, as introduced. The bill would create a simplified, one-stop shop through which individuals and small businesses will be able to purchase private health insurance.

We, the undersigned, operate in both the non-profit and for-profit sectors. Regardless of our mission, what unites us as small employers is the need and desire for a health insurance market that guarantees choice and value for us and our employees. Passage of B20-240 would provide just that. The legislation creates a transparent, unified marketplace and require insurance providers to participate by offering quality plans—with comprehensive coverage options—in order to compete for our business. At the same time, this competition will help hold down premiums, thus making it more affordable for us to provide this benefit to our employees. If this legislation fails, small employers like us will be left with the status quo— a fragmented market with less real competition, few meaningful choices for affordable, quality coverage, and less information to guide our decisions. Maintaining the status quo is not good for any business, profit or non-profit, small or large, which is why we urge you to pass B20-240 as it has been introduced.

Background

Under the Affordable Care Act (ACA or health care reform), the District of Columbia will set up an Exchange through which individuals can purchase health insurance coverage and apply for tax credits to assist with the cost of such coverage. In addition, the District's Exchange Executive Board has proposed to create a "unified marketplace" through which individuals and small businesses would purchase insurance. As organizations with less than 50 employees, we

will have the option of joining the small business market in 2014 and will be fully incorporated into the unified marketplace in 2016.

Some small businesses have been led to believe that incorporating the small business market in the Exchange would lead to a reduction in freedom of choice. As we will explain below, we do not believe that this will be true. In fact, we believe that small businesses like ours will see big benefits from participating in a unified market, including increased purchasing power and consumer protections.

The Undersigned Organizations Support the Creation of a Competitive and Transparent One Stop Shop that Will Help Us Provide Quality, Affordable Benefits to Our Employees.

Separately and collectively, our organizations work in different sectors to advance the interests of District residents. We have done so, in part, by recruiting talented, dedicated employees and providing them with competitive health benefits. A unified marketplace will strengthen our ability to provide our employees with affordable quality health care by: (1) enhancing our ability to choose from different plans offered by different insurers, (2) increasing transparency and oversight of the plans in that marketplace, and (3) improving our purchasing power.

First, a unified marketplace will promote freedom of choice. We understand that all of the District's major insurance carriers – Kaiser Permanente, Aetna, Care First, and United Healthcare—have expressed their intent to participate in the Exchange. In addition, the Exchange Executive Board has voted to allow insurers to offer as many plans as they choose in the Exchange. As a result, small businesses will be able to compare and select from a wide array of options—all in one, easy-to-use web based shopping portal. The ability to choose from more than a few health plans through the Exchange will be a first-time experience for many small businesses, and we believe it will improve our ability to provide our employees with quality health care.

Second, the creation of a unified marketplace will help address a competitive disadvantage that small businesses have had vis-à-vis larger companies—a lack of purchasing power. By uniting the individual market and small group market, small businesses will have better access to the lower costs and better benefits that larger companies have long enjoyed. The improved purchasing power as a result of this pooling will also have the effect of stabilizing premiums over time.

Third, we believe that a unified marketplace will increase transparency and oversight. The Exchange has built-in consumer protections that, among other things, require insurers to publish prices and benefits all in one place and provide information regarding the adequacy of their provider networks. Also, by having one big market, the Exchange and the District of Columbia Department of Insurance, Securities, and Banking can more easily monitor insurance carriers to ensure that they are in compliance with federal and District law. For example, a policy that is difficult to monitor in the current market, such as the ban on pricing based on preexisting conditions, can be easily tested and monitored through the Exchange's online portal.

For the reasons above, we believe that a unified marketplace is good for small businesses and good for the District. Therefore, we urge you to help ensure that all District small businesses and their employees can access quality, affordable health care through the creation of a competitive and transparent consumer and business-friendly insurance market.

Sincerely,

Legal Aid Society of the District of Columbia
Academy of Hope
Amplia, LLC
Berringer Design & Consulting
Capital Area Food Bank
Children's Law Center
D.C. Appleseed
D.C. Behavioral Health Association
D.C. Environmental Network
D.C. Jobs Council
D.C. Primary Care Association
D.C. Rape Crisis Center
D.C. Volunteer Lawyers Project
Democracy Travel
Employment Justice Center
Family Voices of the District of Columbia, Inc.
Health Care for America Now, Health Care for America Education Fund
Hemophilia Association of the Capital Area
Iona Senior Services
Jews United for Justice
Lawrence Levner MSW Inc
Leonard Resource Group
Master Dental Studio
Merle Thorpe Architects PLLC
Miriam's Kitchen
National Multiple Sclerosis Society, National Capital Chapter
OmniStudio, Inc.
Southeast Ministry
We Are Family Senior Outreach Network
The Women's Collective
Young Invincibles