



Debt Free DC in 2023 Grant:
Helping DC Residents Eliminate Outstanding
Medical Debt



Department of Health Care Finance
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Grant Purpose and Objectives

In accordance with section 450A of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.50a), Mayor Muriel Bowser directed the Department of Health Care Finance to establish a grant that would relieve aged outstanding hospital debt for eligible District residents to promote financial stability, improved credit and remove financial concerns that may discourage DC Residents from continuing to receive health care. Research has proven that people of color and people with incomes up to 400% of the federal poverty level are disproportionately impacted financially as well as tend to have higher health care needs. Across the United States, statistics have shown that the COVID-19 pandemic also exacerbated the level of outstanding medical debt due to the loss of jobs and increased health care needs.

New analysis from the Urban Institute suggests bills for hospital care make up most medical debt in the United States — and that low-income people and people of color are disproportionately affected by overdue medical debt. The report from the Urban Institute drew on data from a recent survey of a nationally representative sample of 9,494 adults ages 18 to 64. Respondents whose incomes were at or below the federal poverty level reported the most debt, with 26.4 percent overdue on a medical bill. Black and Latino respondents had more debt than their White counterparts; 25.9 percent of Black respondents and 19.1 percent of Hispanic/Latino respondents were past due, compared with 12.8 percent of White participants. Nearly three-quarters of those surveyed owed some or all of that debt to hospitals.

In 2021, the U.S Census Bureau data showed that Based on National Financial Capability Study (NFCS) survey completed in the same year; twenty-one percent (21%) of District residents surveyed answered “yes” to the question: “Do you currently have any unpaid bills from a health care or medical service provider that are past due?”; National average is twenty-two percent (22%). Data from the Consumer Financial Protection Bureau, as of December 2020, 7.2% of individuals in their Consumer Credit Panel¹ in the District of Columbia had medical debt collections tradelines on their credit file as of December 2020. In DC, the average medical debt balance was \$1,160 and the median was \$535; total medical debt balance was \$54 million.

These surveys reveal that individuals who are the most likely to be burdened with medical debt overlaps with the population the Department of Health Care Finance serves in administration of the Medicaid, Alliance, and Immigrant Children’s Program. To help address the medical debt crisis in the District, DHCF will fund a one-time grant to a nonprofit organization for up to \$1,035,000 to include up to 15% in administrative costs (See the Funding section of this RFA for details). The grantee will work with hospitals located in the District of Columbia to forgive outstanding hospital debt that is more than 18 months delinquent for eligible District residents. Eligible residents are defined as verified District residents who have incomes up to 400% of the federal poverty level or have medical debt over five percent (5%) of the household estimated income.

Hospitals

The grantee will work with the following eleven (11) hospitals in the District to fulfill its obligations under the grant: BridgePoint Hospital Capitol Hill, BridgePoint Hospital National Harbor, Children’s National Medical Center, George Washington University Hospital, Howard University Hospital, Medstar Georgetown University Hospital, Medstar National Rehabilitation Hospital, Medstar Washington Hospital Center, Psychiatric Institute of Washington, Sibley Memorial Hospital, and United Medical Center.

Eligible Medical Debt

Eligible medical debt is medical debt incurred for services received at one of the above listed hospitals that is outstanding for a minimum of 18-months from the date of service provided to the District resident.

¹ [Footnote 8](#) “The Bureau’s Consumer Credit Panel is a longitudinal national sample of approximately five million de-identified credit records maintained by one of the three nationwide credit reporting companies.”

Eligible Resident

A District resident's debt is eligible if the person's address has been validated as a District of Columbia address (determined by Zip Code) and the person has an income up to 400% of the federal poverty level or had eligible outstanding debt 5% above the household estimated income.

Qualified Organization

Applicants must meet the following eligibility requirements to apply for this grant:

1. Be organized under the District of Columbia Non-Profit Corporation Act (D.C. Official Code, sec. 29-401 et seq.) or organized as a Non-Profit organization in the jurisdiction where the entity is incorporated.
2. Have the authority to enter into an agreement with DHCF and be in compliance with applicable District of Columbia laws and regulations.
3. Be a registered organization in good standing with the DC Department of Consumer and Regulatory Affairs (DCRA), Corporation Division, the Office of Tax and Revenue (OTR), the Department of Employment Services (DOES), and the Internal Revenue Service (IRS), and demonstrate Clean Hands certification, by both DCRA and OTR, at the time of application.
4. Sub-grants are permitted for qualified organizations. Applicants who plan to sub-grant shall submit a sub-grantee plan as part of their response, including a signed letter of commitment from sub-grantees. Sub-grantees that are working to support the grant aims as described in this RFA are subject to all requirements described in the RFA and must provide the applicant any documents and reports necessary for the applicant to fulfil all reporting requirements described in the RFA.

Requirements of Grantee

The grantee is required to fully execute agreements with eligible District hospitals that include a list of eligible debt for District residents. The grantee will not pay for debt incurred by residents with addresses outside of the District of Columbia; or for hospital services received outside of the District of Columbia.

The grantee is required to ensure that there is no negative impact to a District resident's financial status as a result of the forgiven debt; as well as formally notify residents that the debt has been forgiven by written notice and verification of delivery. The grantee must also include a Frequently Asked Question (FAQ) document to all District residents that will be impacted by the forgiveness of hospital medical debt to ensure they are aware of the process, results, and assurances of the forgiveness.

The grantee shall ensure it satisfies all its obligations under the grant in accordance with Health Insurance Portability and Accountability Act (HIPAA). The programs should meet minimum acceptable privacy and security controls for ensuring the confidentiality, integrity and availability of information and information systems. This includes following HIPAA Privacy and Security rules that establishes national standards to protect individuals' medical records and other individually identifiable health information (collectively defined as "protected health information") and applies to health plans, health care clearinghouses, and those health care providers that conduct certain health care transactions electronically. Additionally, the grantee shall ensure technical policies and procedures are in place for electronic information systems that maintain electronic protected health information to allow access only to those persons or software programs that have been granted access rights as specified in 45 CFR § 164.308(a)(4) [Information Access Management]. (See **Attachment D** for Health Insurance Portability and Accountability Act of 1996 (HIPAA) Checklist. The HIPAA Security Rule establishes national standards to protect individuals' electronic personal health information that is created, received, used, or maintained by a covered entity.

- The HIPAA Privacy Rule requires appropriate safeguards to protect the privacy of protected health information and sets limits and conditions on the uses and disclosures that may be made of such information without an individual's authorization.

- The Privacy Rule also gives individuals rights over their protected health information, including rights to examine and obtain a copy of their health records, to direct a covered entity to transmit to a third party an electronic copy of their protected health information in an electronic health record, and to request corrections.
- The Security Rule requires appropriate administrative, physical, and technical safeguards to ensure the confidentiality, integrity, and security of electronic protected health information.

The grantee shall comply with the National Institute of Standards & Technology (NIST) standards for ensuring the necessary security and privacy controls are identified, implemented, and operating as expected. The Privacy Rule is located at 45 CFR Part 160 and Subparts A and E of Part 164. The Security Rule is located at 45 CFR Part 160 and Subparts A and C of Part 164.

The grantee must have internal controls in compliance with guidance in the “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The grantee must comply with statutes, regulations, and the terms and conditions of the awards and take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

The grantee must attest and certify a status of good standing. Applicant and sub-grantee(s) shall represent that they are duly organized, validly existing, and in good standing under the laws of the jurisdiction they are organized or licensed, and they, their employees, agents, sub-grantees, representatives, and members of their workforce are licensed and in good standing with the applicable agency, board, or governing body to perform their obligations. They shall also represent that they, their employees, agents, sub-grantees, representatives, and members of their workforce are in good standing with the District of Columbia, that they, their employees, agents, subcontractors, representatives and members of their workforce will submit a Certificate of Good Standing from the District of Columbia Department of Consumer and Regulatory Affairs, and that they, their employees, agents, sub-grantees, representatives, and members of their workforce have not been de-barred from being employed as a Grantee by the federal government, the Government of the District of Columbia, or any government entity.

The grantee must attest and certify, signed by the duly authorized officer of the applicant organization, the truth of which is sworn or attested to by the applicant, which states:

- That the applicant has provided the individuals by name, title, address, and phone number who are authorized to negotiate with the Department on behalf of the organization;
- That the applicant is able to maintain adequate files and records and can and will meet all reporting requirements;
- That all fiscal records are kept in accordance with Generally Accepted Accounting Principles (GAAP) and account for all funds, tangible assets, revenue, and expenditures whatsoever; that all fiscal records are accurate, complete and current at all times; and that these records will be made available for audit and inspection as required;
- That all costs incurred under this grant shall be in accordance with 2 CFR 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”;
- Whether the applicant, or where applicable, any of its officers, partners, principals, members, associates, or key employees, within the last three (3) years prior to the date of the application, has:
 - Been indicted or had charges brought against them (if still pending) and/or been convicted of:
 - Any crime or offense arising directly or indirectly from the conduct of the applicant’s organization, or
 - Any crime or offense involving financial misconduct or fraud; or
 - Been the subject of legal proceedings arising directly from the provision of services by the organization.

- If any response to the disclosures referenced above is in the affirmative, the applicant shall fully describe such indictments, charges, convictions, or legal proceedings (and the status and disposition thereof) and surrounding circumstances in writing and provide documentation of the circumstances;
- That the applicant is in compliance with requirements set forth in D.C. Official Code § 1-328.15;
- That the applicant is current on payment of all federal and District taxes, including Unemployment Insurance taxes and Workers' Compensation premiums. This statement of certification shall be accompanied by a certificate from the District of Columbia Office of Tax and Revenue (OTR) stating that the entity has complied with the filing requirements of District of Columbia tax laws and has paid taxes due to the District of Columbia, or is in compliance with any payment agreement with OTR;
- That the applicant has the demonstrated administrative and financial capability to provide and manage the proposed services and ensure an adequate administrative, performance, and audit trail;
- That, if required by the Department, the applicant is able to secure a bond, in an amount not less than the total amount of the funds awarded, against losses of money and other property caused by fraudulent or dishonest act committed by any employee, board member, officer, partner, shareholder, or trainee;
- That the applicant is not proposed for debarment or presently debarred, suspended, or declared ineligible, as required by Executive Order 12549, "Debarment and Suspension," and implemented by 2 CFR Part 180, for prospective participants in primary covered transactions and is not proposed for debarment or presently debarred as a result of any actions by the District of Columbia Contract Appeals Board, the Office of Contracting and Procurement, or any other District contract regulating agency;
- That the applicant has the financial resources and technical expertise necessary for the production, construction, equipment, and facilities adequate to perform the grant or sub-grant, or the ability to obtain them;
- That the applicant has the ability to comply with the required or proposed delivery or performance schedule, taking into consideration all existing and reasonably expected commercial and governmental business commitments;
- That the applicant has a satisfactory record performing similar activities as detailed in the award or, if the grant award is intended to encourage the development and support of organizations without significant previous experience, that the applicant has otherwise established that it has the skills and resources necessary to perform the grant;
- That the applicant has a satisfactory record of integrity and business ethics;
- That the applicant has the necessary organization, experience, accounting and operational controls, and technical skills to implement the grant, or the ability to obtain them;
- That the applicant is in compliance with the applicable District licensing and tax laws and regulations;
- That the applicant complies with provisions of the Drug-Free Workplace Act;
- That the applicant meets all other qualifications and eligibility criteria necessary to receive an award under applicable laws and regulations; and
- That the applicant will, if successful, indemnify, defend and hold harmless the Government of the District of Columbia and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this grant or sub-grant from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the District on account of any claim therefore, except where such indemnification is prohibited by law

The grantee must attest required insurances are in place and upon request provide a list of all its insurance carriers and the type of insurance provided (Attachment B).

The grantee must provide a current completed W-9 form prepared for the U.S. IRS. DHCF defines "current" to mean that the document was completed within the same calendar year as that of the application date. Fillable W-9 forms can be found on the IRS website: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

Funding

The DHCF will issue funding in increments based on the fully executed agreement per hospital. The payment is calculated based on the amount of the debt being forgiven for once cent (\$.01) on the dollar (\$1.00). The award is \$900,000 to forgive eligible debt. DHCF will support allowable administrative cost of 15% of the amount of each agreement, not to exceed a total award amount of \$1,035,000. Any direct cost funding that is not issued to relieve allowable hospital medical debt will be required to be returned to the District March 30, 2024, with the final expenditure report.

Upon receipt of the award, the grantee will be required to establish themselves as a Vendor with the District Government through the District Integrated Financial System (DIFS) and ARIBA/Procurement Automated Support System ([DIFS/PASS](#)) in order to receive payment. All fully executed agreements must be submitted to DHCF no later than September 15, 2023 via the PASS Buyer System. Applicants can also visit [Supplier Portal | ocfo \(dc.gov\)](#) for more information.

The grant period will be the date of award to September 30, 2023.

Grant Application Materials and Key Dates

The application must be submitted **no later than 4:00 p.m.**, Eastern time by the deadline date of **April 21, 2023**, to DHCF c/o Kelli Stevens at Kelli.Stevens@dc.gov. Applicants will receive an email receipt notification to verify that their application has been received (Attachment C).

Applications submitted after the deadline will not be accepted. Any additions or deletions to an application will not be accepted after the deadline.

DHCF will provide the successful applicant(s) with a Notice of Grant Agreement (NOGA) **no later than May 5, 2023**. The NOGA(s) shall be signed and returned to DHCF within five (5) business days from the date of receipt.

Reporting Requirements

All grant monies awarded must be spent on the objectives specified above in the "Grant Purpose and Objectives" section during the grant period. The grantee is required to provide a summary report, including statistical data for the identified debt (including but not limited to- amount, type of medical debt, demographics of person with outstanding debt); as well as the same statistical information for the debt actually forgiven. The report must also include validation that residents were informed, and comparison to jurisdictions similar to the District. The report should also include any other information that the grantee determines useful to the District. Lastly, the Grantee will be required to submit an expenditure report six (6) months post the end of the grant (March 30, 2024). The Grantee is required to submit or provide any requested information from the Executive Office of the Mayor (EOM) or its delegee.

Terms and Conditions

Funding for this award is contingent on continued funding from the grantor. The RFA does not commit DHCF to make an award. DHCF reserves the right to accept or deny any or all applications if DHCF determines it is in the best interest of DHCF to do so. DHCF shall notify the applicant if it rejects that applicant's proposal. DHCF may suspend or terminate an outstanding RFA pursuant to its own grant making rule(s) or any applicable federal regulation or requirement. DHCF reserves the right to issue addenda and/or amendments after the issuance of the RFA, or to rescind the RFA. DHCF shall not be liable for any costs incurred in the preparation of applications in response to the RFA. Applicant agrees that all costs incurred in developing the application are the applicant's sole responsibility. DHCF may conduct pre-award on-site visits to verify information submitted in the application and to determine if the applicant's facilities are appropriate for the services intended. DHCF may enter negotiations with an applicant and adopt a firm funding amount or other revision of the applicant's proposal that may result from negotiations. If there are any conflicts between the terms and

conditions of the RFA and any applicable federal or local law or regulation, or any ambiguity related thereto, then the provisions of the applicable law or regulation shall control, and it shall be the responsibility of the applicant to ensure compliance.

Application Review Information

Submitted applications will be screened for completeness. The initial review criteria are:

1. Is the applicant an qualified organization as described in the RFA?
2. Does the application request not exceed the total amount of funds available as specified in the RFA?
3. Was the application received on time and delivered in the format described in the RFA?
4. Was the application submitted with all required elements outlined in the RFA document and attachments?

DC Agency Contact

For additional information regarding this application, please contact Angelique Martin, Senior Deputy Director of Finance via email at angelique.martin@dc.gov or by phone at (202) 557-6567.

Attachments

- A. Debt Free DC in 2023: Elimination of Hospital Medical Debt Grant Application Form
- B. Grantee Statement of Certification
- C. DHCF RFA Receipt Form
- D. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Checklist

Debt Free DC in 2023 Grant Application Form (Attachment A)

Administrative Section

Applicant Organization Name

Federal Tax ID

Address

Please provide information for the applicant’s representative authorized to negotiate with DHCF on behalf of the applicant organization and who will sign the form below:

Applicant's Authorized Representative Name and Title

10 Digit Phone Number

Email Address

Grant Information

Please provide information regarding the intended use of grant funds ensuring the purpose aligns with stipulations in the “Grant Purpose and Objectives” section of this application. Information can be provided in an Addendum if the current space is not sufficient

Will the Grantee use a subgrantee to complete the goals set forth in the “Grant Purpose and Objectives” section of this application? If yes, please describe what services will be completed by the subgrantee in the section below. If no, state Not Applicable in the section below

If you answered yes, please submit an addendum to the application that includes the responsibilities of the subgrantee, including the name, address, Tax ID and an additional Statement of Certification with signature from the subgrantee (labeled as Attachment B2).

The Applicant/Grantee agrees to indemnify, defend and hold harmless the Government of the District of Columbia and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this grant or sub-grant from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the District on account of any claim therefore, except where such indemnification is prohibited by law.

As the duly authorized representative of the Applicant/Grantee, I hereby swear and attest that the statements above are true and that the Applicant/Grantee will comply with the above certifications.

Organization: _____

Signature: _____

Date: _____

Printed Name and Title of Authorized Representative: _____