GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Fiscal Year 2022-23 Performance Oversight Hearing

Testimony of
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Deputy Mayor for Health and Human Services
and
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Before the Committee on Health
Council of the District of Columbia
The Honorable Christina Henderson, Chairperson

Thursday, February 16, 2023

The John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

Introduction

Good morning, Chairperson Henderson, and members of the Committee on Health. My name is Wayne Turnage and I serve as the Deputy Mayor for Health and Human Services and the Director of the Department of Health Care Finance (DHCF). Since 2018, I have served in this dual role, ably assisted by my outstanding executive management team at DHCF and staff in the Office of the Deputy Mayor for Health and Human Services. In both agencies, we work closely with the Office of the City Administrator and the Executive Office of the Mayor (EOM), advancing Medicaid and Alliance policies and programs that promote equitable access to quality health care across all neighborhoods of the District of Columbia.

We approach this performance hearing having worked through one of the most challenging periods in the history of DHCF. As the agency responsible for the delivery of health insurance coverage to almost half of the District's residents, we had to respond – efficiently and nimbly – to the wrenching pressures of the pandemic, by making smart changes to how DHCF paid for and shaped the delivery of vital health care services. Now, with Congress requesting that states return to normal operations for their respective Medicaid programs, and President Biden announcing an end to the three-year Public Health Emergency (PHE), DHCF must begin the process of unwinding those policies that eliminated recertifications for Medicaid beneficiaries and granted enhanced payments to providers beyond what is normally permissible under Medicaid regulations.

Accordingly, I have structured my testimony today to provide a high-level summary of these major issues, as well as key agency activities for the performance period in question – Fiscal Year 2022 (FY2022) through the first quarter of Fiscal Year 2023 (FY2023). The first part of my testimony outlines the steps we took in tailoring the Medicaid and Alliance programs to the demands imposed by PHE, followed by a discussion of how we plan to dial back those policies due to Congressional termination of the special allowances for Medicaid eligibility operations, and

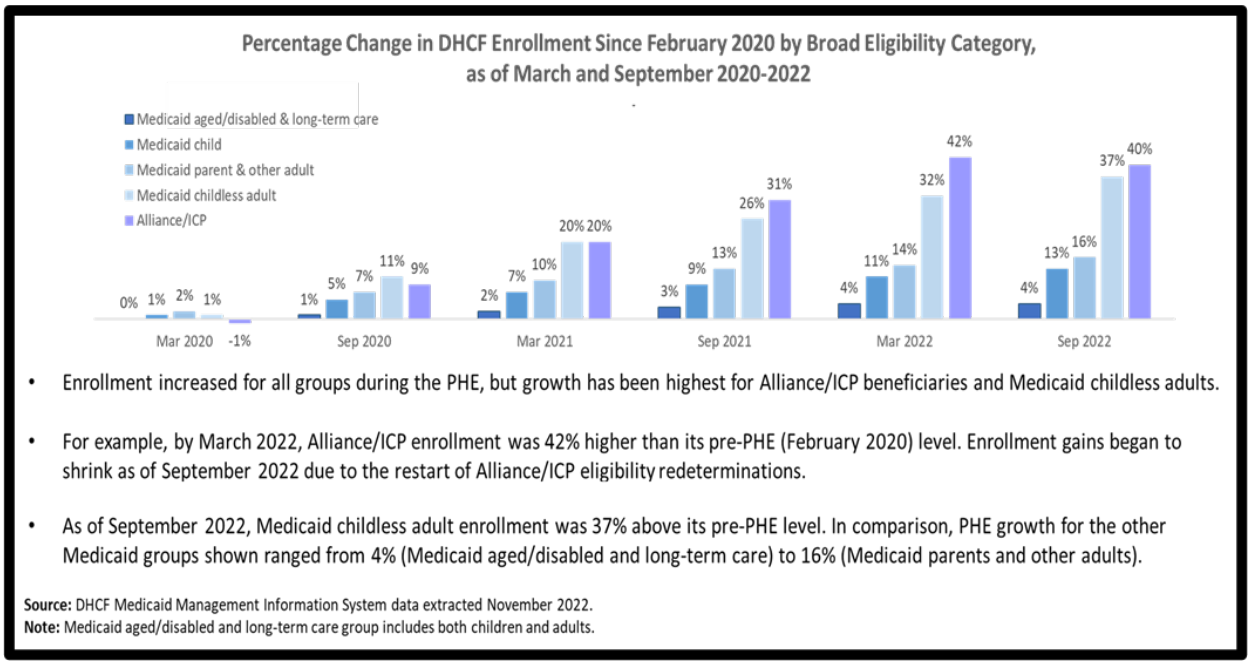
of course, the enhanced program payment rate changes that were made possible by the PHE declared under the executive authority of the President.

Following this discussion, I report on the status of several programmatic issues, namely our efforts to strengthen Medicaid home and community-based services, improve the operational infrastructure of behavioral health providers, and advance maternal health in the District. I close my testimony by providing an update on the managed care program.

Return to Normal Operations and Conclusion of PHE

Like all states, with the initiation of the PHE in March 2020, the District was required by federal law to keep people continuously enrolled in Medicaid through the month in which the COVID-19 public health emergency ended. To ensure equal treatment for members in Alliance, the District applied the federal continuous enrollment provisions to this locally funded program as well. Continuous enrollment was in place for the Alliance and Immigrant Children's programs through July 2022 and it will remain in place for Medicaid until April 1, 2023. These important policy changes ensured that enrollees in both programs had access to covid vaccines, testing, and treatment during the core period of the pandemic.

The impact of this policy is illustrated by the enrollment chart shown on page 4. During the period in which recertifications were halted, overall enrollment in District administered Medicaid and Alliance programs reached an historic high of over 300,000 beneficiaries. Notice that in March 2020, the first month of the declared PHE, the monthly enrollment growth for all categories of Medicaid and Alliance enrollees was modest when compared to the last month of the pre-PHE period, February 2020. One year later, however, when compared to February 2020, Medicaid enrollment data revealed double digit growth for three of the four eligibility categories, reaching 20 percent for the childless adult category. For the Alliance program, enrollment growth



- Enrollment increased for all groups during the PHE, but growth has been highest for Alliance/ICP beneficiaries and Medicaid childless adults.
- For example, by March 2022, Alliance/ICP enrollment was 42% higher than its pre-PHE (February 2020) level. Enrollment gains began to shrink as of September 2022 due to the restart of Alliance/ICP eligibility redeterminations.
- As of September 2022, Medicaid childless adult enrollment was 37% above its pre-PHE level. In comparison, PHE growth for the other Medicaid groups shown ranged from 4% (Medicaid aged/disabled and long-term care) to 16% (Medicaid parents and other adults).

Source: DHCF Medicaid Management Information System data extracted November 2022.
Note: Medicaid aged/disabled and long-term care group includes both children and adults.

was steeper. By September 2021, the rate of increase for Alliance, compared to the pre-PHE month of February was 30 percent. By March 2022, Alliance enrollment had grown by 42 percent compared to the pre-PHE period.

The End of Medicaid Continuous Enrollment. One of the questions for much of the declared PHE was – When will it end? More specifically, when would the federal government direct states back to normal operations for Medicaid eligibility processing? Until the December 2022 enactment of the Consolidated Appropriations Act, 2023 (the Act), the return to normal operations was expected to occur at the end of the federal PHE. However, the Act set March 31, 2023, as the end date for the Medicaid continuous enrollment requirement, effectively decoupling this policy from the end date of the PHE, which is to remain in effect until May 11, 2023. Thus, DHCF must now manage a two-phased approach for the return to normal operations and the initial milestones for the Medicaid restart are shown in the chart on page 5. After, the appropriate communication and outreach activities, DHCF will disenroll the first non-eligible beneficiary in May of this year.

The Challenge of Unwinding in a New Operating Environment. Normal Medicaid eligibility operations have been on pause for three years. During this period, major changes were finalized in the agency's eligibility renewal process. Notably, mobile and online access to apply and renew Medicaid and Alliance benefits were made available to District residents for the first time in the history of the Medicaid and Alliance programs. Eligibility determination processes are rooted in a rules-based system through the full implementation of the District's integrated eligibility system, DCAS (also known as District Direct). And later this month, the final milestone for this $600 million system – a single online source for Medicaid long-term care applications – will be rolled out. Hence, as we return to normal eligibility processing, the system will be forced to process a higher number of renewals for residents and staff who have little to no familiarity with the renewal process, or the new system for accessing benefits through District Direct. In this sense, our return to normal is really a new normal.

Beneficiaries and District stakeholders should expect DHCF to act predictably and in accordance with federal guidelines throughout the unwinding period. To that end, DHCF will communicate high-level planning details related to DHCF's operations in anticipation of the return to normal operations through our unwinding plan – *Continuous Coverage and Covid-19 Public Health Emergency and Continuous Coverage Operational Unwinding Plan* – which has been issued and is available on DHCF's website.

As we plan for the resumption of normal eligibility operations, the agency will be guided by four principles:

1) Maintain enrollment and limit disruption of access to services for beneficiaries and families who remain eligible for Medicaid benefits.

2) Timely and efficiently process all pending Medicaid renewals and determinations.

3) Keep beneficiaries within their current recertification period.

4) Adequately distribute eligibility redetermination workloads to ensure a proper and timely functioning eligibility processing infrastructure.

DHCF is required to complete a renewal of every beneficiary enrolled in Medicaid before taking any adverse action such as terminating eligibility. The unwinding process will kick-off with the mailing of the first set of beneficiary notices at the end of March 2023, and it will conclude at the end of May 2024 when the last group of renewals are due. However, the beneficiary experience of the renewal process will not be the same for all enrollees. Medicaid eligibility is divided into two general categories: MAGI and Non-MAGI. Generally, MAGI eligible beneficiaries are eligible based on income, while Non-MAGI are eligible based on income and a documented disability or need for long-term services. This distinction is important as there are different notice and eligibility requirements applied to the MAGI and Non-MAGI groups.

Most significantly, the MAGI group can "passively renew". The term passive renewal – sometimes referred to as "ex parte" – means DHCF can electronically check various federal and state databases for information such income, residence, etc., to confirm eligibility without requiring any action by the beneficiary. The District's historic passive renewal rate was high at 82% for MAGI beneficiaries and we expect to maintain a similar, though slightly lower rate through the unwinding process. As the table below shows, by the end of the unwinding process, roughly 112,000 of 145,000 MAGI beneficiaries – 77% – will have passively renewed.

Estimated Medicaid Cases Initiated for Renewal, by Month Initiated and Month Due

Unwinding month number	Initiation month (notices mailed by 1st of month)	MAGI renewal month due	Non-MAGI renewal month due	Cases				
				Total	MAGI			Non-MAGI*
					Total	Passive	Non-passive	Total
1	2023-04	2023-05	2023-06	12,102	9,347	7,032	2,315	2,755
2	2023-05	2023-06	2023-07	14,263	11,383	10,465	918	2,880
3	2023-06	2023-07	2023-08	19,530	16,001	10,451	5,550	3,529
4	2023-07	2023-08	2023-09	17,632	14,179	8,734	5,445	3,453
5	2023-08	2023-09	2023-10	20,467	9,105	7,834	1,271	11,362
6	2023-09	2023-10	2023-11	19,281	12,448	6,721	5,727	6,833
7	2023-10	2023-11	2023-12	15,237	13,280	7,832	5,448	1,957
8	2023-11	2023-12	2024-01	20,614	19,620	17,821	1,799	994
9	2023-12	2024-01	2024-02	13,050	9,956	9,003	953	3,094
10	2024-01	2024-02	2024-03	13,443	10,143	8,921	1,222	3,300
11	2024-02	2024-03	2024-04	13,887	10,783	9,439	1,344	3,104
12	2024-03	2024-04	2024-05	12,266	9,173	7,812	1,361	3,093
Total				**191,772**	**145,419**	**112,065**	**33,354**	**46,353**
Average monthly				15,981	12,118	9,339	2,780	3,863

Source: Department of Health Care Finance analysis of DCAS data as of 1/31/2023.
* Excludes Supplemental Security Income (SSI) cases that are "no-touch" and do not go through a regular renewal process. Most other non-MAGI cases will be non-passive, but a small number may be renewed passively (see description in text). An additional number of non-MAGI cases included in the total shown here will be processed as no-touch (e.g., certain foster care and other children in care) but an estimate is not currently available.

Unfortunately, most Non-MAGI enrollees are not able to passively renew and take advantage of this very efficient process. This is unrelated to the PHE, but rather is a one-time systems requirement tied to the implementation of our automated eligibility system. Specifically, Non-MAGI beneficiaries that enrolled in Medicaid prior to November 2021, will have to renew using a lengthy renewal form to capture all the information required by DCAS that was not previously collected. This will impact a smaller portion of Medicaid beneficiaries, but they

typically have more serious and chronic conditions and utilize health care services with a much greater frequency. DHCF staff and DHS caseworkers, therefore, must be vigilant to ensure continued access for this vulnerable population.

While most beneficiaries will retain their original eligibility certification end date, DHCF will utilize a hybrid approach and redistribute approximately 20,000 cases (17,000 MAGI and 3,000 non-MAGI) that include individuals who are only eligible for coverage due to the Medicaid continuous enrollment requirement. This redistribution process will take place in months three, four, six, and seven of the unwinding period. All other individuals will retain their current certification period. The redistributed cases will receive a non-passive renewal and the resulting numbers are incorporated in the table above.

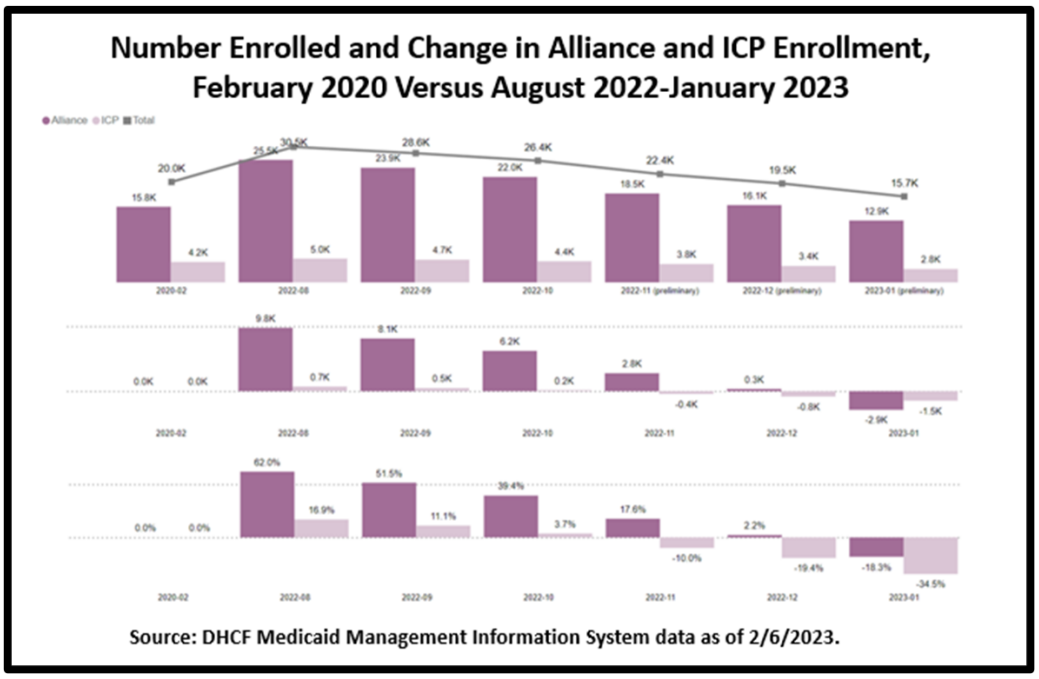
DHCF is pursuing this option because it maximizes the amount of time prior to restart of redeterminations for Medicaid beneficiaries, many of whom have either not completed a renewal in over three years or have never completed a renewal. So this practice will ensure a manageable workload for processing staff at the beginning of Medicaid restart.

Reaching out to beneficiaries to ensure they understand the timing and nature of this process is a key element to facilitate continued access to coverage. Most Medicaid beneficiaries are connected to a care coordinator or case manager and DHCF will utilize this benefit for direct outreach to enrollees. DHCF will also employ several outreach modalities (mail, text, advertising), and we are asking our partners to do the same. We plan to amplify messaging through the Communications Toolkit – providing sample messages and handouts for use by the managed care plans, community-based organizations, providers, and other District agencies.

Alliance Recertification Issues. In 2022, the Mayor funded a policy that eliminated the requirement which forced enrollees in the Alliance program to recertify every six months to receive

continued health care coverage. Alliance and ICP recertifications were halted during the period of the District of Columbia public health emergency, but recertifications have since restarted. Specifically, DHCF started sending notices to individuals and families who needed to recertify their eligibility for Alliance and ICP on July 1, 2022.

Since that time, Alliance enrollment has dipped from a pandemic peak of more than 25,000 to a January 2023 enrollment figure of roughly 13,000. This is almost 3,000 fewer enrollees than were in the program prior to March 2020 when the District employed the face-to-face recertification policy. The table below shows this enrollment decline by months. After this noticeable drop in monthly enrollments, community stakeholders shared concerns about processing issues with submitted recertifications. Their concerns intensified as the rate of the enrollment declines increased.



Source: DHCF Medicaid Management Information System data as of 2/6/2023.

Based on this evidence, DHCF inquired of the Department of Human Services (DHS) – which handles eligibility processing for the program – about the possible existence of an Alliance/ICP recertification backlog. Though most of the methods for recertifying are designed

to avoid case backlogs – such as application by phone, or use of an online portal – enrollees can still hand deliver their recertification papers to any DHS service center, leaving open the possibility that those documents might not be timely entered into the system.

Based on this inquiry, the agency's research revealed that the total Alliance workload had 3,341 case actions in the queue which is comprised of new applications, renewals, inquiries, household changes, and verifications. As of January 27, 2023, the number of case actions that have been pending for more than 30 days is 1,479 Alliance cases. Almost 74 percent of these pending cases were for renewal, with a much smaller number – 386 – representing new applications. Of course, this means that enrollees are losing coverage because their recertifications documents are sitting in a que unaddressed, while hopeful new applicants endure longer waits to determine if they are eligible for coverage.

DHS is taking the following action to remedy the backlog:

- Typically, DHS deploys seven workers who are exclusively dedicated to Alliance case processing with another 15 staff processing cases for all programs – including Alliance – across each Service Center location.

- On January 25th, DHS redeployed 17 staff from other programs to focus on addressing the increased Alliance workload, bringing the total number of FTEs processing Alliance cases up to 39.

- DHS will deploy this increased effort through overtime and additional staff for one week only. DHCF will then assess whether a contractor should be hired to help clear any remaining backlog.

Since taking these steps, the backlog has reduced by 731 case actions. As of February 7, 2023, the number of outstanding case actions pending over 30 days is 748 (631 new applications and 136 recertifications).

Resumption of Standard Program Operations. The federal PHE declaration triggered certain emergency authorities for use by state Medicaid programs, which include:

1) Emergency State Plan Amendments (e-SPAs).
2) Appendix K (specific to Medicaid 1915c waiver programs); and
3) Medicaid 1135 Waivers.

As shown in the chart on the next page, DHCF leveraged these authorities to expand services and increase payments to providers. This was necessary because at the outset of the PHE, a diverse array of providers reported increased costs associated with the provision of health care services during the ongoing pandemic, even with declines in utilization. DHCF acted quickly to establish enhanced provider rates and deployed other programmatic flexibilities to ensure Medicaid reimbursement reflected these increased costs, while permitting service delivery to beneficiaries who sought to avoid congregate care settings. Nursing homes, Assistant Living Facilities, Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID), home health agencies, hospitals, and adult day care centers were among the provider groups that received enhanced payments.

When the PHE ends on May 11, 2023, enhanced rates will phase out across provider groups over a six-month period. Some providers will be affected when the PHE concludes in May while others will see a return to normal rates at the end of November 2023. The end

PHE and Emergency Authorities for the Medicaid Program			
Authority	**Effective Date**	**Termination Date**	**Example**
Medicaid State Plan Amendments	March 1, 2020, or later date selected by the state	End of the federal PHE or any earlier date selected by the state	DC SPA- 20-01- Temporary 20% increase to nursing facility rates
Appendix K (Home and community based services waivers)	January 27, 2020 or any later date elected by the state	Up to 6 months following the conclusion of the federal PHE	1915 (c) HCBS Waiver Appendix K: Temporary 15% addition to assisted living facility rates
Medicaid 1135 Waivers	March 1, 2020	End of the federal PHE	District 1135 Waiver Request: Temporarily suspend Medicaid fee-for-service prior authorization requirements

dates to the enhanced rates are dictated by the authority under which they were authorized. Further detail on the impact of the end of the PHE will be presented during DHCF's budget hearing in April.

At this time Madam Chairperson, I will shift the focus of my testimony from the issues discussed around unwinding certain operations as well as the end of the PHE, to highlight three areas of emphasis for DHCF over the past year – strengthening Medicaid home and community-based services, improving the operational infrastructure of behavioral health providers, and advancing maternal health in the District.

Strengthening Home and Community Based Services (HCBS)

While enhanced rates specific to PHE allowances will sunset over the next several months, other efforts to support provider capacity are ongoing. Local initiatives, supported in part by the American Rescue Plan Act (ARPA), have been a priority in FY2022. Key steps taken to provide immediate support include bonuses for direct service professionals (DSPs) and

inflationary increases for behavioral health providers. Rates studies for behavioral health providers and home health agencies are also underway and could lead to significantly higher rates with future reimbursement decisions. The studies focus on two components: 1) aligning a care model that focuses on whole person care; and 2) aligning the payment methodology to financially support the providers and ensure better outcomes.

There has been considerable attention on an assumed nexus between DSP worker shortages and the existing wage rates paid to these workers. DSPs are front-line workers serving individuals with disabilities, behavioral health needs, and the elderly. These workers are typically paid lower wages compared to other health care professionals. Recognizing the importance of DSPs and their work, DHCF has been engaged with providers and provider associations in a multi-year effort to support increased wages.

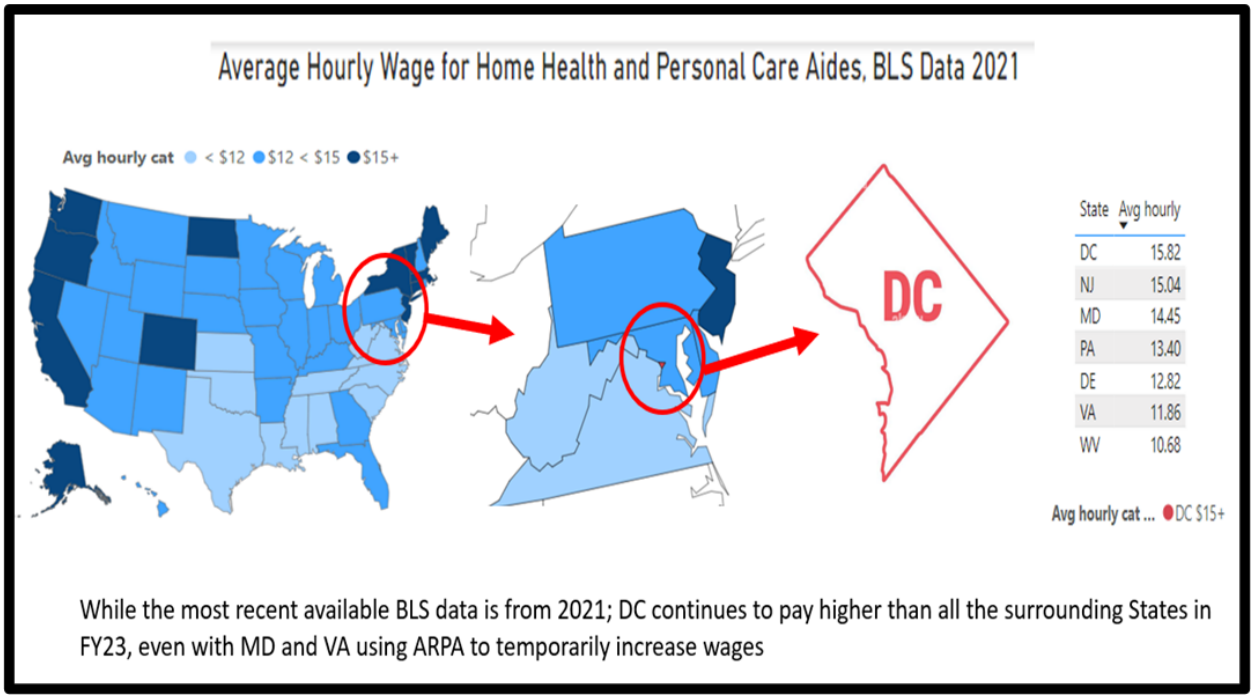
Efforts to Enhance DSP Rates. Given the demand on DSPs throughout the PHE, we established grant opportunities to provide additional funding to providers in support of their covid vaccine outreach and recruitment and retention activities. Utilizing ARPA funding for HCBS programs, the three grant opportunities totaled $28 million. DHCF received 146 applications and awarded 136 grant awards totaling $20.5 million (see table on next page). There have been delays in the allocation process while we worked to address issues raised by providers and to assist them in validating the information DHCF requested during the application process. We anticipate that the funding for the balance of the awards will be issued no later than February 28, 2023.

Over 200 Providers Were Eligible To Apply For One OR All Three Of the DSP Bonus Awards

Name of Grant	Retention	Recruitment and Conversion	Vaccine
Description	To Medicaid enrolled HCBS providers for disbursement of Retention bonus awards to DSPs.	To Medicaid enrolled HCBS providers for disbursement of Recruitment or Conversion bonus awards to DSPs.	To Medicaid enrolled HCBS providers for provision of a Vaccine incentive program to direct health care workers.
Total Amount of ARPA Funding	$17,000,000	$8,140,000	$2,860,000
Providers that Applied	62	46	38
Awards Issued	58	42	36
Amount of Award Determination	$17,148,846*	$2,800,244	$523,300

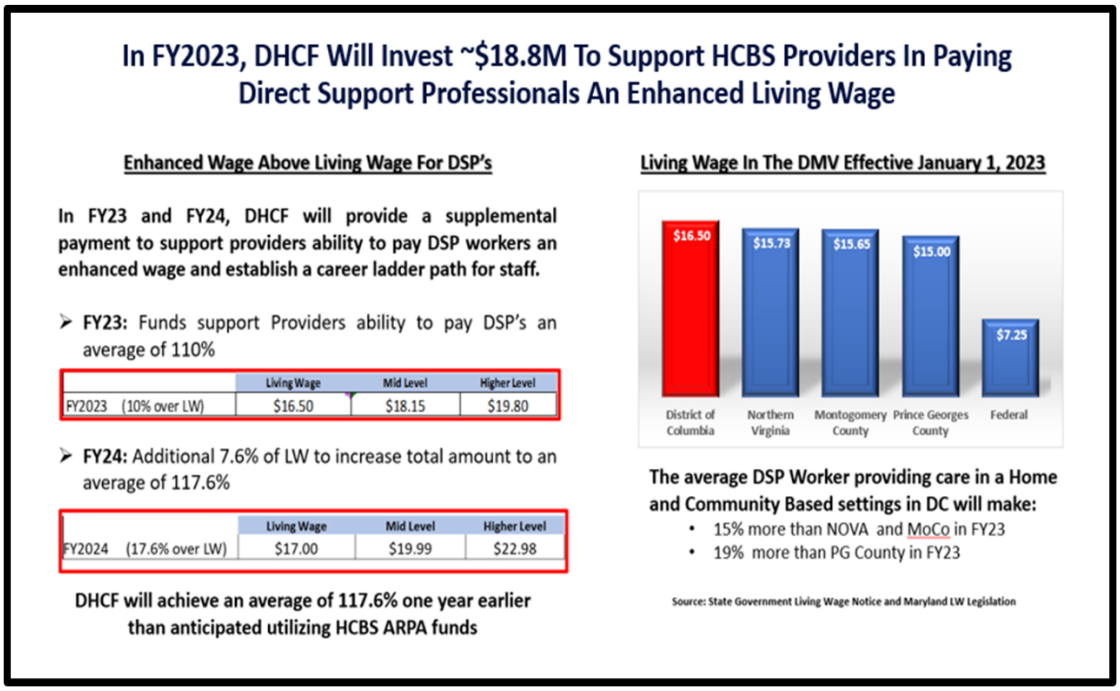
*Planning to Increase ARPA Spending Plan Request

It is worth noting that even prior to the Mayor's FY2023 budget adjustment to increase DSP wages, the average hourly wage paid by DHCF for DSP workers was the highest in the region at $15.82 (see illustration below). As was thoroughly discussed during budget development for FY2023, DHCF was working to establish a new DSP rate that would be an average of 117.6% of the living wage by FY2025. The plan presented during the FY2023 budget



hearing estimated that DHCF would issue one-third of the required payments over the three-year timeframe. However, when providers voiced a concern that the increase would not be sufficient to attract and maintain workers, DHCF shifted the original plan to provide a supplemental payment supporting an average of 10 percent of living wage ($18.15 plus fringe, administrative cost, with a vacancy factor of 5 percent). In FY2024, DHCF will increase the amount by 17.6% to achieve the full average of 117.6% by FY2024 instead of FY2025.

Funding A Tiered Wage Scale. The data provided in the graphic below, illustrates the significant impact of this policy. Notice that in FY2023, this allocation plan will support a tiered wage scale that pays DSP workers a wage of $16.50 on the low end of the scale, to $19.80 on the high end. When the full impact of the plan is executed in FY2024, DSP workers will earn as much $22.98. This means the typical DSP worker in the District will earn 15 to 19 percent more than their peers in Prince George County and Northern Virginia. Moreover, those workers who earn at the top end of the tiered scale, will be among the highest paid DSP workers in the country.



DHCF has met with multiple provider groups to discuss the process and provide an overview of how to complete the schedule necessary to receive the supplemental payment. To date, we have received 114 responses from Providers supporting 9,800 DSP's. We are also working with various provider groups to ensure they understand the impacts because 114 providers are a small representation of the total eligible home and community-based providers. As noted earlier, the original plan was to issue the funding prior to January 1, 2023; however, due to incomplete information from providers, notice of new living wage, and the volume of analysis needed for all providers, DHCF has not been able to issue the payment as quickly as planned. Funding will be processed by the end of February.

In addition to DSPs, DHCF has made targeted increases to rates for mental health and substance use disorder services. Effective April 1, 2022, provider rates increased by 3.3%; and a second inflationary increase of 2.8% became effective on October 1, 2022. A rate study is in progress to identify changes to the payment methodology and rate to better align with how the services is provided to achieve the best outcomes for DC Residents. We appreciate the time and effort of all providers as we recognize that this work cannot be effectively completed in isolation.

Citing provider rates as the sole factor underpinning the myriad problems facing health care providers, is an easy but unconvincing argument. Paying adequate and equitable rates to providers is certainly one-way DHCF works to ensure access to care. However, our responsibility as the administrator of the Medicaid program is to also ensure that rates are adequate to guarantee access to care, but are not beyond providers' allowable costs.

Supporting Health Care System Excellence

Recognizing our providers as partners, DHCF is invested in providing the supports and resources necessary to achieve a health care system that supports whole person care. In FY

2022, DHCF moved to organize our various technical assistance efforts into a coordinated approach - the Practice Transformation Collaborative (PTC). This initiative aims to develop and disseminate various tools and resources that providers and staff members can use to achieve excellence in the areas of operations, clinical quality, finances, and staff and patient satisfaction. Providers and their staff will now have the infrastructure, workforce capabilities, and sustainable business models to deliver quality person-centered care across the care continuum. These competencies will be needed as the District transitions to value-based care to better improve patient outcomes and promote health equity using new payment methods to drive the change. The Collaborative is comprised of four key initiatives:

1) IntegratedCare DC is a five-year program, managed by the DHCF in partnership with DBH, designed to enhance Medicaid providers' capacity and competencies to deliver whole person care for physical and behavioral health, substance use disorder (SUD), and the unmet social needs of beneficiaries. Through a contract with Health Management Associates (HMA), Integrated Care DC provides training and technical assistance, including individual practice coaching, group learning sessions, and asynchronous learning available through the website.

2) RevUp focuses on supporting behavioral health providers in the transition to managed care and managing revenue cycle changes. A total of 31 providers have enrolled in RevUp since its inception and experienced significant success in reducing denied claims. As a result, DBH has taken over the grant to assist more behavioral health providers.

3) HCBS Digital Health technical assistance program is designed to assess provider readiness to adopt certified electronic health record technology (CEHRTs) and approved case management systems. The program supports provider implementation of Health IT systems and seeks to connect more service deliverers to the DC Health Information Exchange (HIE) and telehealth. Equipping HCBS providers with tailored TA will encourage secure interoperability between systems, meaningful use of telehealth tools/workflows, and support the delivery of integrated, whole person care by District Medicaid providers. Over sixty (60) providers – representing mental health, substance use

disorder, and housing supportive services, have submitted participation agreements to connect with HIE.

4) Business Transformation is technical assistance program set to launch in FY2023. It will provide a stakeholder assessment of Medicaid provider's needs, financial consulting, and business development support. The initiative will deliver appropriate resources to meet these needs. Together these activities support Medicaid provider practice transformation and facilitate integrated whole-person care by enhancing providers' ability to collaborate across entities and participate in value-based care arrangements.

Evolving how we support Medicaid providers is a strategic move by DHCF to ensure a viable and competent provider network. It is imperative that we apply a holistic approach that considers costs, benefit design, business practices and efficiencies. Otherwise, continued rate increases cannot be justified and provider sustainability will be threatened.

Advancing Maternal Health

DHCF made advances in FY2022 to mitigate disparities in maternal health services for Medicaid and Alliance beneficiaries. Our efforts were launched through the formation of the Maternal Health Advisory Group which was comprised of beneficiaries, advocates, doula, providers, and managed care plan representatives. The advisory group convened over the course of the year to provide input on the development of the doula services benefit, expansion of postpartum coverage, and the expansion of non-emergent transportation for pregnant Alliance beneficiaries.

As a result of stakeholder input and guidance, we secured federal approval to implement doula services as reimbursable benefit in the Medicaid and Alliance programs, effective October 1, 2022. The District is one of a handful of states with doula services as a Medicaid benefit. Other state experience shows that obtaining approval for the service is simpler than making the service accessible. We are monitoring doula provider enrollment and utilization of doula services to see where barriers to care may exist.

Additionally, in FY2023, we have two initiatives underway related to maternal and child health. DHCF continues to support the Diaper Bank through a $500,000 grant. The grant funds are used to purchase and distribute free diapers to eligible parents and legal guardians with infants 3 years of age and under. Eligible families include, but are not limited to, Medicaid and Alliance beneficiaries.

We are also overseeing the development of recommendations for the Council's consideration on how to improve perinatal mental health for District residents. The Perinatal Mental Health Task Force was established through the Budget Support Act of 2023. Much like the Maternal Health Advisory Group, the Task Force hosts an inclusive group representing many perspectives and formally kicked off its work in January 2023.

Status of the Managed Care Program

Madam Chairperson, the last issue addressed in this testimony is the status of the Medicaid managed care contracts. As you are aware, FY2022, the three existing contracts were submitted for procurement. The request for proposals was issued in November 2021 and, in June of 2022, the notice of contract award was issued to AmeriHealth Caritas DC, MedStar Family Choice, and Amerigroup. However, the planned contract implementation date of October 1, 2022, was delayed due to vendor protests, including a post-award protest by CareFirst which caused the Contract Appeals Board (CAB) to issue a stay of the awards until they could rule on the protest.

In January 2023, the CAB denied the post-award protest, allowing DHCF to move forward with the initial awards. Hence, we have initiated the federally required 90-day readiness period to prepare for the April 1, 2023 effective date of the new contracts. Since that time, CareFirst has filed an action with the DC Superior Court and an initial hearing on the claims raised by the health plan was granted in January 2023 by the judge in the case. Notwithstanding

these actions, DHCF will continue with readiness activities and begin implementation of the contracts on April 1, 2023, unless otherwise directed by the Court.

During readiness, our work is twofold. First, we seek to ensure continuity of care for affected beneficiaries and to assess the operational readiness of the new plan. Beneficiaries and providers will receive notices in March informing them of all program changes. Once readiness concludes, we enter the continuity of care period that extends to June 30, 2023. During this period, DHCF's managed care team will work with the exiting managed care plan, CareFirst Community Health Plan DC, to ensure continuity of care and timely provider payments at the conclusion of their contract.

The new five-year contract represents a milestone in the managed care program. We look forward to fully implementing value-based care expectations and moving closer to whole person care with the integration of physical and behavioral health services.

Conclusion

Madam Chairperson this concludes my testimony for this hearing. Over the next 12 months, DHCF will focus considerable attention and resources on restarting Medicaid eligibility operations and right sizing payments for several provider groups. As we tackle these significant tasks, our day-to-day work will not be neglected. Attention to the implementation of the managed care contracts, the integration of behavioral health services into managed care, the start of the PACE program, and our continuous work on our overall program of long-term care will dedicate much of what we do in FY2024.

My staff and I look forward to working with you and the Committee on Health on these important projects. Thank you for this opportunity to testify and we are ready to receive questions from the Committee.