

U.S. Senate Committee on Small Business and Entrepreneurship
**“Affordable Care Act Implementation: Examining How to Achieve a Successful Rollout of
the Small Business Exchanges”**
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Testimony of Mila Kofman, J.D., Executive Director, DC Health Benefit Exchange Authority

Good morning Chairwoman Landrieu, Ranking Member Risch and members of the Committee. My name is Mila Kofman and I am the Executive Director of the District of Columbia’s Health Benefit Exchange Authority. Thank you for your leadership and advocacy on behalf of small businesses. It is an honor to be here today to testify about DC Health Link – the District of Columbia’s new on-line Marketplace for individuals and small businesses in DC. We are also proud to have been selected by the Office of Personnel and Management to serve as the health exchange for Members of Congress, Senators and your designated staff and look forward to serving you in that capacity.

The District of Columbia decided early to be a leader in ACA implementation. We were among the first to apply to be a state-based exchange. We expanded Medicaid quickly after the ACA was signed into law. Our agencies began working together to develop our health insurance marketplace in 2011. On March 3, 2012 Mayor Gray signed legislation creating the DC Health Benefit Exchange Authority. The Authority is a private-public partnership with seven voting members. They are private citizens including small business owners in the District. Four government officials serve as non-voting members.

Our success is due to the broad collaboration we have had with our partner agencies in District government, strong community participation in the development of our policies and priorities for the Marketplace, leadership and support from our elected officials, our collaboration with the business community, a close working relationship with health insurance companies and support from our federal government partners especially the team at HHS and CMS. We had strong support from Mayor Gray and all members of the City Council, as well as from Congresswoman Norton. To have a successful October 1 launch of DC Health Link, it took a village.

DC Health Link opened for business on October 1, 2013. It was reported that we were one of only four states to be successfully up and running that morning. Since Day 1 we have seen strong interest by people and businesses in competitively priced quality health insurance. Between October 1 and November 13, we have had more than 84,272 unique visitors to our website (DChealthlink.com), nearly 20,000 accounts have been created by individuals to shop, compare and choose health insurance, and nearly 700 employer accounts have been created.

We at DC HealthLink think that the District of Columbia has the best marketplace in the nation for small businesses. Four major insurers have traditionally served the District's small businesses: Aetna, CareFirst Blue Cross Blue Shield, Kaiser Permanente and United Healthcare. We worked with each insurer to ensure all would sell to small businesses through DCHealthLink.

There is a product for everyone, fitting a small business' needs and budget. Insurers are offering 267 different products – HMOs, PPOs, zero-deductible plans, and HSA-compatible high deductible coverage, plans with broad nationwide provider networks and robust local and regional networks – and full employer choice that allows each small business to offer its workers a choice of insurers, plans, and different levels of coverage. Small businesses, like large employers, can finally offer their employees choices.

When we were implementing our marketplace for small businesses, we prioritized employer and employee choice. An employer who opens an account at DCHealthLink.com can choose what options to offer their workers. Each employer can offer its workers:

- one health plan from one insurer;
- all health plans (HMOs, PPOs) in all levels (bronze, silver, gold, and platinum) from one insurer; or
- all health plans from all insurers in one level of coverage, e.g. gold level has 112 different plans from all four insurers.

An employer receives one invoice reflecting all choices by workers. That invoice reflects the amount the employer chooses to contribute and the amount that should be withheld for the employee contribution. Very simple, one bill, and more choice for employees in small businesses than ever before.

The DC Exchange chose not to negotiate benefits or rates. We decided instead to rely on private market competition. We have created one big marketplace for individuals, families and small businesses. After a transition period, all health insurance in the individual and small group markets will be sold through our web portal. All prices and products are transparent in one place. This policy passed the DC Council unanimously. The creation of one big marketplace has been critical to creating real competition. After the four insurers initially filed proposed rates and they became public, three of them resubmitted lower rates. One lowered its proposed rates twice, and another submitted additional products. Insurers know that when a consumer sees all prices, consumers are in the driver's seat. They know that prices must be competitive and low enough to attract buyers. We created real competition in prices and people and small

businesses benefit.

A critical part to our success is the strong support we have had from our business community. Throughout the development of DC Health Link, we worked with the DC Chamber of Commerce, the Greater Washington Area Hispanic Chamber of Commerce, and the Restaurant Association of Metropolitan Washington. This summer, we formalized these partnerships. These three organizations are trusted sources of information for DC small businesses. They each host at least monthly DC Health Link educational and enrollment events. They are conducting door-to-door outreach to small businesses in targeted areas. They are also reaching large businesses, many of whom employ part-time workers who are not eligible for employer-provided benefits and who will benefit from our individual and family DC Health Link marketplace. All have posted information about DC Health Link on their websites and all are prominently displayed on DCHealthLink.com as our partners. And, they are utilizing social media to help educate, encourage, and enroll small business owners and their employees through DC Health Link.

To-date, they have hosted 44 small business outreach and training sessions, promoted DC Health Link at another 51 community events, have made individual contact with over 2000 businesses, have more than 10,000 twitter followers, and have had more than 170,000 visits to their websites.

Similarly, we have worked closely with the health insurance broker community. We see insurance brokers as a vital and core sales force. We worked closely with local professional broker associations and have a formal relationship with the National Association of Health Underwriters (NAHU). Early in implementation, NAHU assisted us with expert support on many of our stakeholder policy working groups. NAHU also conducted all broker training for us.

We have created a successful business partnership with CVS – which has 59 stores in the District. They have displays with DC Health Link brochures in each location, they promote DC Health Link at their in-store health screening events, and they are hosting 36 DC Health Link enrollment events during open enrollment.

Our success reflects the community based approach we have taken. Stakeholder policy working groups helped us develop consensus based policy recommendations. Diverse stakeholders worked together to help build DC Health Link. I want to take this opportunity to thank them and recognize that it took a village to build the nation's leading SHOP marketplace.

For all of these reasons, I am proud to be here today to discuss our success and why DC Health Link is the best health insurance marketplace in the nation for small businesses. Thank you again for the invitation to testify and I look forward to answering your questions.