


Council of the District of Columbia
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
MEMORANDUM

1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

TO: Chairperson Phil Mendelson
FROM: Councilmember Kenyan R. McDuffie 
RE: Request to Agendize Measures for the October 5, 2021, Legislative Meeting
DATE: September 30, 2021

Pursuant to Council Rule 426, regarding a waiver of Rule 231(c), I request that the following measure be agendized for the October 5, 2021, Legislative Meeting. I also request that the measure be agendized for an Additional Meeting of the Committee of the Whole, pursuant to Rule 403 (b), should one be scheduled. The measure was marked up by the Committee on Business and Economic Development and has been filed timely with the Secretary's Office:

Measure from the Committee:

- **Bill 24-0236, the “Child Wealth Building Act of 2021”**

This Bill would allow the District of Columbia (“District”) to create a Baby Bonds program in the District to benefit low-wealth families and place children in a better position to build and maintain economic security and prosperity. There are approximately 9,500 children born annually in the District and roughly 20% of all children in the District live below the poverty line. This Bill would create a District government-sponsored trust fund for children born in the District of Columbia to qualifying households to invest in their future economic stability. The program and special Fund will be managed and administered by the Office of the Chief Financial Officer of the District, or its designee (collectively, “OCFO”). The District has appropriated approximately \$32 million in Fiscal Years 2022 through 2025 to support this initiative. The monies held in trust for each enrolled child will become available when the child reaches 18 years of age. The monies may be used for educational purposes, business ownership, homeownership, or retirement.

The Council's Office of Racial Equity (CORE) assessed the permanent bill's racial equity impact. CORE concluded that the Bill has the potential to advance racial equity by improving economic outcomes for enrolled residents who remain eligible and choose to use their funds for specific wealth-building activities. According to CORE, these activities are tangible privileges that come with having wealth and that “[w]ealth is as much the beginning as it is the end of an economically secure life.” Furthermore, CORE noted that additional research supports its finding and suggests that wealthier families are better positioned to afford post-secondary education, have funds to start a business, live in higher amenity neighborhoods, have political influence, afford better legal representation, leave a bequest to loved ones, and withstand financial hardships.

CORE's assessment also highlighted other outcomes that will likely stem from adoption and implementation of the Bill. Specifically, residents of color – who are overrepresented in the District's lower-income households – would, as a result of the Bill's automatic enrollment and tiered investment scheme, have improved health outcomes, larger yearly trust fund deposits,

continued eligibility for local and federal safety net programs, and the likelihood of college enrollment.

I am also writing to request that the following measures be placed on the agenda for the Legislative Meeting on October 5, 2021:

Emergency Measures

- **“Child Wealth Building Emergency Act of 2021”**
- **“Child Wealth Building Emergency Declaration Resolution of 2021”**

As noted above, these measures would allow the District of Columbia (“District”) to create a Baby Bonds program in the District to benefit low-wealth families and place children in a better position to build and maintain economic security and prosperity. Because the funds to support this program are authorized beginning October 1, 2021, emergency action is necessary to timely implement this vital program and include all eligible children as soon as practicable following the start of Fiscal Year 2022. Resultantly, the emergency legislation will provide that the District’s Baby Bonds program and its funds are available to eligible District youth beginning October 1, 2021.

- **“Medical Marijuana Plant Count Elimination Emergency Amendment Act of 2021”**
- **“Medical Marijuana Plant Count Elimination Temporary Amendment Act of 2021”**
- **“Medical Marijuana Plant Count Elimination Emergency Declaration Resolution of 2021”**

The Legalization of Marijuana for Medical Treatment Initiative of 1999 effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.06) (“Medical Marijuana Act”), established a medical cannabis program in the District. Pursuant to the Medical Marijuana Act, the Department of Health can register qualifying patients to receive access to medical cannabis without fear of government sanction, to the extent possible without a change in federal laws.

In 2019, the Council passed emergency and temporary legislation repealing the existing law which limited the number of plants that a cultivation center may grow (the “plant count limit”) to 1,000. The plant count limit originally was 95; the Council raised the limit to 500 plants in 2014 and to 1,000 in 2016. The temporary legislation expires on October 27, 2021; the absence of a continuing emergency and temporary bill would erroneously reinstate the previous arbitrary 1,000 plant count limit. To prevent a shortage of products available to District residents and the proliferation of an underground market, it is urgent that the Council enact another round of emergency and temporary legislation.

- **“Medicaid Universal Contracting Emergency Amendment Act of 2021”**
- **“Medicaid Universal Contracting Temporary Amendment Act of 2021”**
- **“Medicaid Universal Contracting Emergency Declaration Resolution of 2021”**

In September 2019, the Department of Healthcare Finance (“DHCF”) announced that it would implement “universal contracting” for critical providers in the District’s health care market

to “even the playing field and improve access to needed health care providers for all Medicaid enrollees.” It was also intended to address disparities resulting from MedStar’s decision to contract with only one of the District’s managed care organizations. Effectuated through Medicaid Provider Agreements, the District now requires each managed care organization (“MCO”) to cover beneficiaries’ access to all acute care hospitals and clinics designated as federally qualified health centers. However, there is currently no legislation in the District that mirrors DHCF’s policy.

In 2020, the District issued a request for proposals seeking up to three managed care organizations to administer healthcare and pharmacy services to Medicaid and Alliance beneficiaries. Four MCOs placed acceptable bids on the contract: AmeriHealth, Medstar Family Choice, CareFirst, and Amerigroup. All but Amerigroup had contracts with Medstar’s acute care hospitals which contravened the District’s universal contracting policy. The District awarded Medicaid contracts to the three managed care organizations that had contracts with Medstar: MedStar Family Choice, AmeriHealth, and CareFirst. Amerigroup protested the award, and the District’s Contract Appeals Board (“CAB”) ruled that the District violated procurement law and ordered the District to reevaluate the contract by September 30, 2021.

On September 1, 2021, Mayor Bowser declared a public emergency to exercise the option year of the Medicaid contract due in part to MedStar’s threats to withdraw from the District’s Medicaid program if rate agreements were not renegotiated with AmeriHealth and CareFirst. If Medstar carries out its threat to withdraw from the District’s Medicaid program, it will not only destabilize the program, but will lead to discontinuity of care for the District’s Medicaid population. In response to these threats, DHCF announced that it will re-bid the managed care contracts.

This legislation requires nothing more than what is already required under DHCF policy. Given the uncertainty of the District’s Medicaid managed care contract, it is of vital importance to enact legislation to minimize adverse selection in any forthcoming procurement process, ensure that MCOs absorb risk and cost for high acuity patients equitably, and ensure that Medicaid beneficiaries have access to all acute care hospitals in the District. This legislation will also establish financial consequences should a District acute care hospital choose to not participate in the Medicaid program.

Ceremonial Resolutions

- **“Carl ‘Chucky’ Thompson Posthumous Memorial Recognition Resolution of 2021”**

This ceremonial resolution posthumously recognizes and honors the life of Carl “Chucky” Thompson, who was a legendary music producer and native of the District of Columbia. Chucky Thompson is widely known for the hit records he produced and helping transform the sound of hip-hop, R&B, and go-go music before his passing due to complications from COVID-19.

- **“Andre ‘Smokey’ Lee Recognition Resolution of 2021”**

This ceremonial resolution recognizes the contributions of Andre “Smokey” Lee to the District of Columbia government and residents on his retirement after 26 years of valued service.

- **“District of Columbia Energy Efficiency Day Recognition Resolution of 2021”**

This ceremonial resolution recognizes the first Wednesday in October as ‘District of Columbia Energy Efficiency Day.’ It also recognizes the efforts of District agencies in partnership with residents and non-profit organizations to encourage energy efficiency, protect our environment, and reduce energy costs for all, equitably and inclusively.

The measures are attached. If you have any questions, please contact Ms. Alicia DiFazio at adifazio@dccouncil.us.

Thank you for your consideration of this request.

cc: Members, Council of the District of Columbia
Office of the Secretary
Office of the General Counsel
Office of the Budget Director