

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency to mitigate the impact and disruption to District residents who rely on Medicaid Managed Care by ensuring their access to adequate health care.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Medicaid Universal Contracting Emergency Resolution of 2021”.

Sec. 2. (a) Department of Health Care Finance (“DHCF”) is the District’s State Medicaid Agency. The mission of DHCF is to improve health outcomes by providing access to comprehensive, cost-effective and quality healthcare services for residents of the District of Columbia.

(b) In September 2019, 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.”.

(c) Effectuated through Medicaid Provider Agreements, the District requires each managed care organization (“MCO”) to cover beneficiaries’ access to all acute care hospitals and clinics designated as federally qualified health centers.

(d) 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

30 beneficiaries. Four MCOs placed acceptable bids on the contract: AmeriHealth, Medstar Family
31 Choice, CareFirst, and Amerigroup. All but Amerigroup had contracts with Medstar’s acute care
32 hospitals which contravened the District’s universal contracting policy.

33 (e) The District awarded Medicaid contracts to three managed care organizations:
34 MedStar Family Choice, AmeriHealth, and CareFirst. Amerigroup protested the award, and the
35 District’s Contract Appeals Board (“CAB”) ruled that the District violated procurement law and
36 ordered the District to reevaluate the contract by September 30, 2021.

37 (f) On September 1, 2021, Mayor Bowser declared a public emergency to exercise the
38 option year of the Medicaid contract due in part to MedStar’s threats to withdraw from the
39 District’s Medicaid program if rate agreements were not renegotiated with AmeriHealth and
40 CareFirst.

41 (g) Given the uncertainty of the District’s Medicaid managed care contract, it is of vital
42 importance to enact legislation to minimize adverse selection in any forthcoming procurement
43 process, ensure that MCOs absorb risk and cost for high acuity patients equitably, and ensure
44 that Medicaid beneficiaries have access to all acute care hospitals in the District.

45 Sec. 3. The Council of the District of Columbia determines that the circumstances
46 enumerated in section 2 constitute emergency circumstances making it necessary that the
47 Medicaid Universal Contracting Emergency Amendment Act of 2021 be adopted after a single
48 reading.

49 Sec. 4. This resolution shall take effect immediately.