

Mrs. Leslie Johnson, Hearing Officer
DC Department of Insurance, Securities and Banking
810 First St, NE Suite 701
Washington, DC 20002

September 18, 2009

cc: Mr. Stephen Taylor, General Counsel

Dear Mrs. Johnson:

I write to you today concerning the surplus review of Group Hospital and Medical Services (DC CareFirst). I understand that you will be determining whether CareFirst has excessive surplus that it should reinvest in community health needs. There are large, unmet needs for health care in the District of Columbia including:

- **Lack of comprehensive healthcare coverage for residents in DC's Healthcare Alliance program.** Residents who are covered under DC's Healthcare Alliance program lack vision services and an adequate mental health benefit. These services are important elements of a comprehensive health care system.
- **Under Medicaid, lack of complete coverage for adults making between 200 percent and 300 percent of poverty.** Under Medicaid, there is a lack of coverage of adults up to 300 percent of the federal poverty line. Currently, only children are covered under Medicaid up to 300 percent of the poverty line. Covering adults up to 300 percent of the federal poverty line would result in system that could be more easily managed by entire families and make healthcare coverage possible for many adults who cannot afford it on their own.
- **Healthy DC.** As proposed, the Healthy DC program aims to cover individuals making between 200 percent and 400 percent of poverty who do not qualify for Medicaid or the DC Healthcare Alliance. As proposed, Healthy DC would also limit out of pocket expenses for individuals enrolled in the program and make premiums affordable. Due to the economic downturn, implementation of the program has been postponed for nearly two years. By implementing Healthy DC, the District would achieve an almost universal health insurance coverage rate and provide healthcare to thousands who cannot afford to purchase it on their own.

Please scrutinize GHMSI's surplus very carefully. Excess surplus should be used both to help fund these urgent public health initiatives and to lower premiums for policyholders who are struggling under recent rate increases.

Sincerely,

Jenny Reed
Policy Analyst, DC Fiscal Policy Institute