

October 9, 2015

The Honorable Stephen C. Taylor, Acting Commissioner  
D.C. Department of Insurance, Securities and Banking  
810 First Street NE  
Suite 701  
Washington, D.C. 20002

Dear Commissioner Taylor,

**The undersigned organizations urge you to complete your review of the Group Hospitalization and Medical Services, Inc. (GHMSI) surplus and issue a final order in the proceeding.** Community benefit investments have been an obligation of nonprofit hospitals as a condition of their federal tax-exempt status for decades. Under legislation adopted by the D.C. Council (MIEAA), GHMSI has a comparable community reinvestment obligation. On December 30, 2014, the Commissioner of the D.C. Department of Insurance, Securities and Banking (DISB) determined that the 2011 surplus of CareFirst BlueCross BlueShield's District-based affiliate, GHMSI, was excessive by \$268 million dollars and that \$56 million dollars of that excess was attributable to the company's earnings in the District of Columbia. The Commissioner therefore ordered the company to file a plan for reinvesting that \$56 million in the District.

**Without a definitive action on this matter, the District of Columbia will continue to be devoid of a benefit that could be used to advance the health and well-being of its residents.** As a group of funders and nonprofit organizations in the region, we witness firsthand the needs in this community that could be addressed if these resources were made available. The previous Commissioner ordered GHMSI to file a plan for reinvesting that excess by March 16, 2015, which it did not do. As a part of your ruling, we encourage you to require that a community process be undertaken to determine the best use of these resources for community benefit.

Many pressing issues affect the health and well-being of the District's residents. We are in the midst of an affordable housing crisis, which has led to high rates of homelessness. We are seeing wages fall for workers, leading to rising income inequality. Although the minimum wage has increased in D.C., it is not sufficient to meet the needs of low-income families. These issues, along with uneven access to food, community-based preventive health programs, and health care, mean poor health outcomes for many residents of the District. There are real solutions that we can employ to address these issues. The sum of money in question— \$56 million dollars— could make a significant impact on providing greater access to affordable housing, living wages, healthy food and preventive health services for low-income residents of the District. Everyone benefits when all communities have equal opportunity for good health and well-being.

The law requiring the reinvestment of GHMSI's excess surplus was passed more than six years ago. The Court of Appeals interpreted the law and remanded this issue to the DISB for prompt implementation nearly three years ago. The previous Commissioner ordered GHMSI to file a reinvestment plan, yet GHMSI has not done so. We are aware that you only recently assumed the position of Commissioner. However, due to the many delays on this matter and the urgency of the needs that could be addressed through this community benefit, we ask that you issue a final order in the proceeding as soon as possible and require a community process for determining the best use of these resources.

We thank you for your consideration and would welcome an opportunity to discuss this further. If you have any questions, please feel free to contact Dr. Yanique Redwood, President/CEO of the Consumer Health Foundation, or Ria Pugeda, Senior Program Officer, at (202)939-3390.

Sincerely,

Consumer Health Foundation  
DC Employment Justice Center  
DC Fair Budget Coalition  
DC Fiscal Policy Institute  
Meyer Foundation  
Institute for Public Health Innovation  
Jews United for Justice  
Organizing Neighborhood Equity-DC

cc: Mayor Muriel Bowser  
Councilmember Vincent Orange