WHITMAN-WALKER HEALTH

Mailing Address:
Elizabeth Taylor Medical Center
1701 14th St., NW
Washington, DC 20009

July 14, 2016

Honorable Stephen Taylor
Commissioner
Department of Insurance, Securities, and Banking
810 First Street, N.E., Suite 710
Washington, DC 20002

Commissioner Taylor:

I am writing you in response to your call of public comment on a plan for spending CareFirst's excess surplus of $56 million in the District of Columbia.

Established in 1978, Whitman-Walker Health offers primary medical, HIV care, behavioral health, oral health, care management, legal services, and pharmacy services via four sites in Washington, DC. Our mission is to provide quality, culturally competent care, particularly for individuals who face barriers to accessing care, with a special expertise in LGBTQ and HIV care. We provide health and supportive services to more than 15,000 persons every year and extend affirmation, dignity and respect to all who seek services from us.

Our partnership with CareFirst is dynamic and transcends the typical contractual relationship between community provider and health insurer.

- Whitman-Walker Health is a community grantee of CareFirst. Since 2004, we have received over $1 million in mission-critical funding including nearly $500,000 to support the Gay Men's Health & Wellness/STD Clinic Testing and Treatment Program.

- Whitman-Walker Health is a trusted patient-centered medical home as well as a strong consumer advocate for the more than 1,000 CareFirst's members who seek affirming, high quality care from us.

- Whitman-Walker Health is a corporate client of CareFirst and utilizes CareFirst's network and third-party administrative services to support our self-funded employee health benefits program.

- Whitman-Walker Health is one of DC's major outreach/enrollment centers for DC Health Link and therefore works collaboratively with CareFirst throughout the year.

In summary, Whitman-Walker Health is a stronger, more vibrant health center because of CareFirst's commitment of time, talent (including members of the CareFirst leadership team serving on Whitman-Walker Health's board of directors and various advisory committees) and funding.

As you finalize any formal plan for the designated surplus, I want to offer a few strategic comments and perspectives for your consideration. We recognize that this is a complex regulatory, community relations, and political issue that has been in the local public policy discourse for more than 10 years. We are grateful that you are seeking to resolve this matter once and for all.

As a major employer which is responsible for overseeing an employee health benefits program covering nearly 200 individuals and their families, Whitman-Walker Health believes that the most common sense approach would be to return the surplus to our employees as well as other CareFirst members via some form of rate relief or moderation. Nearly 200 employees and their dependents have paid into our health benefits program over time and some of their premium payments contributed to the surplus. Any rate relief or moderation would reduce some of the financial pressure that our employees face in meeting their premiums and out of pocket expenses.

As a well-respected patient/consumer advocate, Whitman-Walker Health appreciates the breadth and depth of significant health care challenges throughout the community. Many of these community health matters require a significant, long-term investment that far exceeds the value of the surplus. Therefore, any policy expectation that access to services and the overall health of DC residents would be significantly improved by such investment needs to be tempered to current public health realities. Put another way, the surplus represents a drop in the bucket to what is truly needed to improve the health and well-being of DC residents.

As a community nonprofit which collaborates with many DC-based groups, Whitman-Walker Health appreciates both the policy intent and community interest by some who propose to invest the surplus in yet-to-be determined priority needs. In fact, we understand that a number of DC-based community organizations are proposing such an option which would result in the formation of a trust to be administered by local foundations. Our fundamental issue with this approach is that there is no defined system of accountability to ensure that such investment truly addresses the community's top health priorities <u>and</u> is specifically used for building related capacity or infrastructure. Even with 3rd party administration by local foundations, there will be considerable political and community pressure from various stakeholders to distribute the surplus to nonprofit groups to support existing programs. There are also a host of legal/regulatory, operational and financial issues that must be resolved in the near term to establish a trust administered by non-government entity/ies.

We offer two other principled investment options for your consideration:

- Direct CareFirst to reinvest the $56 million over 3-5 years via its existing community benefit grantmaking model. This is clearly the path of least complexity and controversy as CareFirst already administers such a process which is well-known to the nonprofit community. It also publicly recognizes and builds upon CareFirst's significant contributions to the community over time.

- Allocate the entire surplus to a designated fund which would provide financial support for individuals and families insured by CareFirst. This type of fund would alleviate financial burdens that high out of pocket costs have on individuals and families and directly links the use of the surplus back to current CareFirst members.

I appreciate the opportunity to comment on this important policy matter. As always, please email me dblanchon@whitman-walker.org or call me (202) 797-4410 with any questions or comments about this letter.

Yours in service,

Donald Blanchon
Chief Executive Officer