



contact: [press@choiceandcompetitioncoalition.org](mailto:press@choiceandcompetitioncoalition.org)

September 24, 2012

Dr. Mohammad Akhter  
Chair, D.C. Health Benefit Exchange Authority (HBX) Executive Board  
One Judiciary Square  
441 4th Street NW, Suite 1000S  
Washington D.C. 20001

Dear Dr. Akhter:

We are writing on behalf of the Choice and Competition Coalition, a partnership of businesses, providers, brokers, insurers, and their associations working to ensure that health insurance exchanges created under the Patient Protection and Affordable Care Act (PPACA) promote competition and preserve consumer choice. Our mission is to educate key policy makers on the importance of ensuring that consumers have a wide array of choices when purchasing health insurance coverage.

We are very concerned about reports that the District of Columbia (D.C.) is poised to issue regulations implementing their health insurance exchange that would eliminate the ability of small businesses and individuals to purchase health insurance in the outside market. Many of our members are located within the District of Columbia and will be directly affected by this decision.

We believe this proposed regulation is ill-advised and will dramatically reduce consumer choice. As the District of Columbia moves forward with PPACA implementation, we offer the following recommendations to the Exchange's Executive Board:

- **Preserve the ability of individuals and small businesses to purchase health insurance in the outside market.** If the D.C. health insurance exchange eliminates the outside market and limits the plans that could offer health insurance coverage through the newly created exchange, choices would be severely curtailed. Without any assurances on how well the D.C. health insurance exchange will function, we strongly recommend against any extreme measures to eliminate the outside market. The D.C. health insurance exchange should not add any additional layers of regulation or restrictions on market choice.
- **Do not increase costs for small employers.** The D.C. Insurance Subcommittee's recommendations would unnecessarily lead to increased cost for employers. They are supporting an exchange as the sole marketplace because it will "eliminate the opportunity for adverse selection against the exchange." However, PPACA includes numerous provisions to create a level playing field inside and outside an exchange that do not require elimination of the outside health insurance market.

- **Continue to define the small group market as those with 50 or fewer employees.** With all the changes that will take place in 2014, including major insurance market reforms and the creation of new health insurance exchanges, it makes little sense to expand the small group market beyond the traditional definition of 50. We urge you to hold off on this change until the statute requires it in 2016.

We appreciate you considering our comments as you make these important decisions on behalf of the residents of the District of Columbia.

Sincerely,

Choice and Competition Coalition

Signers:

Associated Builders and Contractors

AHIP

National Association of Wholesaler-Distributors

WellPoint

U.S. Chamber of Commerce

Blue Cross Blue Shield Association

American Osteopathic Association

National Retail Federation

National Association of Health Underwriters

Healthcare Leadership Council

National Association of Insurance and Financial Advisors

McGuinness & Yager LLP

cc:

The Honorable Vincent C. Gray

Beatriz Otero, Deputy Mayor for Health and Human Services Trustees, D.C. Health Benefits

Exchange Board Members, Council of the District