DC CHILDREN'S LAW CENTER
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250 Massachusetts Ave. NW, Suite 350
Washington, DC 20001
T 202.467.4900 · F 202.467.4949
www.childrenslawcenter.org

Testimony Before the District of Columbia Council
Committee on Health
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Public Hearing:
Public Oversight Roundtable
Changes to the District's Medicaid and Alliance Programs

Chris Gamble
Behavioral Health Policy Analyst
Children's Law Center

Introduction

Good morning, Chairperson Henderson, and members of the Committee on Health. My name is Chris Gamble, and I am a Behavioral Health Policy Analyst at Children's Law Center. Children's Law Center believes every child should grow up with a strong foundation of family, health, and education and live in a world free from poverty, trauma, racism, and other forms of oppression. Our more than 100 staff – together with DC children and families, community partners and pro bono attorneys – use the law to solve children's urgent problems today and improve the systems that will affect their lives tomorrow. Since our founding in 1996, we have reached more than 50,000 children and families directly and multiplied our impact by advocating for city-wide solutions that benefit hundreds of thousands more.

Thank you for the opportunity to testify today about the changes to the District's Medicaid and DC Health Care Alliance programs. When the government creates a budget, reining in costs can be a responsible way to ensure essential functions can continue without threatening the financial viability of a system going forward. For the health sector in the District's FY26 budget, however, the focus on reducing financial costs is resulting in significant costs to residents' health.

In the name of remedying spending pressures, an initially estimated 25,575[1] people will lose Medicaid coverage come January 1, 2026, and drastic changes to the Alliance program will ultimately bar adults from coverage under that program in a

couple years.[2] Deputy Mayor Wayne Turnage has identified decreased city revenue and increased enrollment, utilization, and provider reimbursement rates as contributing to the financial stress on the Medicaid program.[3] More people having health insurance and providers being paid more are usually seen as positive features of a health system, not burdens. Keep in mind, the changes made to Medicaid and Alliance were local-level decisions not forced by any federal policy, but impending federal changes to Medicaid are important to understand.

The One Big Beautiful Bill Act (OBBBA) makes changes to Medicaid that will further impact how the Department of Health Care Finance (DHCF) operates Medicaid locally. The most notable changes apply to the Medicaid expansion adult population, which encompasses the childless adult and parent/caretaker categories. These are the same two categories for which those making more than 133% of the federal poverty line will be shifted to coverage under a Basic Health Plan. For the expansion population adults maintaining Medicaid coverage, the OBBBA will add work requirements, cost sharing, and new redetermination cycles, all of which put them at risk of losing their coverage.[4] The details of these federal changes will be finalized next year and go into effect at the beginning of 2027, so in the meantime it's imperative for stakeholders to keep watch for how they will influence future decisions by DHCF.

The local level eligibility changes the District made will limit access to health care and in turn impact our provider network and the availability of services. All of these

problems will be made worse once OBBBA policies go into effect. District leadership has a responsibility to ensure residents have access to adequate health care. Even given existing financial pressures, we don't believe the actions taken minimize the effect on residents to the fullest extent possible.

In this testimony, I will focus on the impacts of the changes made to the Medicaid and Alliance programs and explore potential ways to curb the damage done to our health system. Specifically, my testimony will:

1) Bring attention to the harm children will experience as a result of the cuts to adult Medicaid eligibility;
2) Urge that gaps in the Healthy DC Plan be filled;
3) Explain how to preserve the Alliance program long enough to identify feasible long-term solutions; and
4) Identify ways DC can save on health care costs without limiting coverage

Local Changes To DC Medicaid Eligibility Will Directly Harm Children

Of the over 25,000 people losing their Medicaid coverage, 8,300 are parents or caretakers.[5] This category includes parents, siblings, grandparents, stepparents, stepsiblings, aunts and uncles, nieces and nephews, and first cousins who care for dependent children.

The parents and caretakers eligible for the Basic Health Plan (Healthy DC Plan) will automatically be enrolled, but those who are not will have to navigate DC Health

Link on their own to select a Qualified Health Plan. Children are at risk in the midst of these changes. When caregivers are not fully informed about eligibility changes and open enrollment requirements, the fact that their child remains eligible can be overlooked.[6] DHCF's mailed communications and online meetings for community members[7] are a step in the right direction, but there are bound to be people who remain unaware of changes. Parents may miss recertification periods for their children or not take them to appointments if they believe their children no longer have coverage. We ask the Committee to seek details on the actions DHCF is taking to ensure parents know their children still have insurance.

The uncertainty adults have about their own coverage or shifting over to a plan with fewer benefits has several ramifications. A caretaker becoming sick, disabled, or dying due to inadequate health insurance has an enormous impact on the children they care for. Research has shown that insured children with uninsured parents are at higher risk of poor overall health and more likely to have asthma, ADHD, developmental delays, learning disabilities, and mental disabilities.[8] There is also the risk of child welfare involvement going up when caregivers are not able to attend to their own behavioral health and substance use needs, both key drivers of having contact with the child welfare system.[9]

The family's financial stability is also damaged when a parent or caretaker is uninsured and has to manage medical expenses on their own. Medical debt not only

has the direct financial impacts of contributing to housing and job insecurity and bankruptcy but also can compound poor physical and mental health outcomes.[10] The Medical Debt Mitigation Amendment Act of 2025[11] introduced by Councilmember Henderson is a much-needed measure to protect District residents even without the changes to DC's Medicaid program. However, the changes to Medicaid eligibility needlessly put people at risk of having to utilize such resources as the legislation would establish. For all the reasons mentioned, children must not be assumed to be okay just because their eligibility is formally protected. We ask that the Committee follow up with DHCF regularly to keep track of any changes to children's coverage or health care utilization that could be connected to changes in the Medicaid program.

The Healthy DC Plan Offers Sub-par Health Coverage

Following the eligibility changes that go into effect in January, ninety percent of the people losing Medicaid coverage will qualify for the new Healthy DC Plan developed by DHCF and the Health Benefits Exchange (HBX). We are pleased that this group will be automatically enrolled in the new plan to ensure there are no gaps in coverage. We also appreciate the effort both agencies put in to making the Healthy DC Plan free of costs like premiums and co-pays. However, enrollees need reassurance that the plan will remain free going forward, so they will not have to take on costs resulting from an eligibility change that was out of their control. We ask the Committee to inquire what DHCF's and HBX's plan is to keep the Healthy DC Plan free of cost.

The services covered under the Healthy DC Plan do not adequately meet the needs of enrollees.The current plan[12], does not cover all the same services as Medicaid, leaving out vision and dental benefits as well as limiting behavioral health services to clinic services only, meaning important services like Community Support, Community-Based Intervention (CBI), and Assertive Community Treatment (ACT) are not covered. The essential nature of vision and dental care are clear, but the critical need for the behavioral health services not covered by the Healthy DC Plan can't be overlooked. These particular behavioral health services are designed for people with persistent needs who could be at risk for more frequent hospitalization or even contact with the criminal legal system without this level of care. We urge the Committee to seek answers from HBX on which of the current gaps in coverage are most feasible to close. OBBBA will likely result in even more people losing Medicaid coverage, some of whom may be eligible for the Healthy DC Plan. In preparation, we need to ensure the plan remains free of cost and covers services that contribute to whole person care.

Preserve The Alliance Program Long Enough To Identify Other Funding Sources So Vulnerable Populations Maintain Support

Around 2,300 adults were disenrolled from the Health Care Alliance program on October 1, 2025 following eligibility changes, and roughly 5,500 children are now covered under the Alliance program, shifting over from the now defunct Immigrant Children's Program[13]. Children will maintain coverage going forward, but adults will experience a steep decrease in the eligibility level next year, followed by a complete loss

of coverage in 2027. As noted with the local and federal changes to Medicaid, the children of these Alliance adults who lose coverage are at risk for the same negative outcomes.

We are thankful for the work Councilmember Henderson and the Committee on Health did to strike some of the initial provisions in the proposed FY26 budget regarding Alliance, including the removal of face-to-face recertification, raising the moratorium age, and restoring coverage of durable medical equipment.[14] These adjustments only have short-term relevance though, because in two years many of the adults who lose Alliance coverage altogether will have no other option for health insurance. A larger uninsured population not only harms the health of those without insurance; it also hurts the provider network. Facilities will have to provide more uncompensated care and may see more people utilizing the emergency room for what should be routine care.

The recent decoupling of portions of the District's tax code from the federal tax code freed up hundreds of millions of dollars that can be used over the next four years.[15] The Council's contingency list identified over $20 million that could fund the Alliance program through FY26 with this additional source of revenue, but DC's Chief Financial Officer (CFO) has not certified this use of the funds yet.[16] We urge the Committee to continue working with the CFO to prioritize the health care of those with no other options. With this funding, people will be able to maintain coverage while the

Committee explores ways to make additional necessary changes like allowing new enrollees into the program.

The District Can Reduce Costs And Increase Access To Care

Medicaid is a large cost center for many states, so when quick savings are needed, cuts to provider payments, benefits, or eligibility are often the most direct way of doing so.[17] The changes the District has made to the Medicaid and Alliance programs favor this shortsighted approach when there are ways to reduce costs in the long run while improving health outcomes.

Integrating behavioral health and primary care contributes to better coordination between providers, allowing enrollees' health needs to be addressed holistically such that expensive health services like emergency hospitalization are utilized less. Care integration can happen at the service delivery level where physical and behavioral health services are provided at the same location, streamlining collaboration. Integration can also happen at the financial level by aligning payment structures for physical and behavioral health. This can be achieved through the long-delayed carve-in of behavioral health services into DC's managed care plans. Not only would the carve-in give managed care organizations (MCO) the incentive to connect their enrollees with the right care to minimize costs; it would also give them increased oversight of a major source of financial drain to our system: fraud. Fraudulent billing keeps enrollees from getting the care they need and takes taxpayer money from going to good use in the

Medicaid system.[18] We have reason to believe fraud of this nature costs the District tens of millions of dollars every year. Improving responses to fraud could counteract the spending pressures associated with enrollee and provider payment growth. We ask DHCF to commit to a new start date for the carve-in. We also ask the Committee to engage with DHCF and DBH to explore the cost-savings possible through improved addressing of fraudulent billing.

Conclusion

Weighing vulnerable DC residents' health against the financial pressures the city faces is a choice we don't have to make. Thank you for the opportunity to testify, and I welcome any questions you may have.

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[1] As of November 2025, DHCF now estimates 18,300 will lose Medicaid coverage. See: DHCF Responses to Committee on Health Data Requests, (November 24, 2025), *available at*: https://lims.dccouncil.gov/Hearings/hearings/1983.

[2] $182 million spending pressure was identified. See: Budget Oversight Hearing on HBX, DMHHS, and DHCF YouTube, (June 2025), available at: https://www.youtube.com/watch?v=r7fYR4i1ab0.

[3] *Id*.

[4] Health Provisions in the 2025 Federal Budget Reconciliation Bill, KFF, (July 2025), *available at*: https://www.kff.org/medicaid/tracking-the-medicaid-provisions-in-the-2025-budget-bill/.

[5] Chris Gamble, Children's Law Center, Testimony Before the District of Columbia Council Committee on Health, (June 5, 2025), available at: https://childrenslawcenter.org/resources/fy26-budget-testimony-department-of-health-care-finance/.

[6] Sara Rosenbaum, et al., *Deep Medicaid Spending Cuts Put Health Care Coverage at Risk for One of Five Enrolled Children*, (May 2025), *available at*: https://www.commonwealthfund.org/blog/2025/deep-medicaid-spending-cuts-put-health-care-coverage-risk-one-five-enrolled-children.

[7] DHCF Meeting Materials, *available at*: https://dhcf.dc.gov/page/meeting-recordings-and-slides.

[8] Ilhom Akobirshoev, et al., Does Parental Health Mediate the Relationship Between Parental Uninsurance and Insured Children's Health Outcomes? Evidence from a U.S. National Survey, Health and Social Work, (2017), available at: https://www.researchgate.net/profile/Ilhom-Akobirshoev/publication/315305654_Does_Parental_Health_Mediate_the_Relationship_between_Parental_Uninsurance_and_Insured_Children%27s_Health_Outcomes_Evidence_from_a_US_National_Survey/links/5b3abbaeaca2720785051913/Does-Parental-Health-Mediate-the-Relationship-between-Parental-

Uninsurance-and-Insured-Childrens-Health-Outcomes-Evidence-from-a-US-National-Survey.pdf.?__cf_chl_tk=m2RNSYBX50biX6_1uzadZESf2tmV_Ai62kLuj9PRlvo-1764785940-1.0.1.1-CQDY_YnhJzg4ww2ujzTzMKB7GaEObSnb2PX7NedduX8.

[9] Robin Ghertner, *Wonk Data Drop: The OBBBA's Impact on Children's Coverage,* Child Welfare Wonk, (August 2025), *available at*: https://www.childwelfarewonk.com/p/wonk-data-drop-the-obbbas-impact?utm_source=substack&utm_medium=email.

[10] Tzedek *DC, MORE THAN A BAND-AID: Systemic Changes to Protect DC Residents From Medical Debt*, (June 2025), *available at:* HYPERLINK "https://static1.squarespace.com/static/57056a9e0442629a7a43ca60/t/68474643546dda494a22083c/1749501513218/Tzedek+-+25+Medical+Debt+Report+1.38.pdf."https://static1.squarespace.com/static/57056a9e0442629a7a43ca60/t/68474643546dda494a22083c/1749501513218/Tzedek+-+25+Medical+Debt+Report+1.38.pdf.

[11] B26-0438 - Medical Debt Mitigation Amendment Act of 2025, *available at*: https://lims.dccouncil.gov/Legislation/B26-0438.

[12]Healthy DC Plan, *available at*: https://www.dchealthlink.com/HealthyDCPlan.

[13] DC Medical Care Advisory Committee 10/22/25 meeting, *available at*: https://dhcf.dc.gov/page/dc-medical-care-advisory-committee.

[14] Committee on Health FY26 Committee Budget Report, *available at*: https://dccouncil.gov/wp-content/uploads/2025/06/FY2026-Revised-DRAFT-1-Committee-on-Health-Budget-Recommendations-Report3.pdf.

[15] Alex Koma, With federal tax cuts ahead, D.C. lawmakers aim to preserve revenue, fund new tax credits, (November 2025), *available at*: https://wamu.org/story/25/11/05/with-federal-tax-cuts-ahead-d-c-lawmakers-make-changes-to-preserve-revenue-and-fund-new-tax-credits/.

[16] Jenny Gathright and Meagan Flynn, D.C. set to become first city in the U.S. to implement local child tax credit, Washington Post, (November 5, 2025), *available at*: https://www.washingtonpost.com/dc-md-va/2025/11/05/child-tax-credit-dc-council/?pwapi_token=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJyZWFzb24iOiJnaWZ0IiwibmJmIjoxNzYyNDkxNjAwLCJpc3MiOiJzdWJzY3JpcHRpb25zIiwiZXhwIjoxNzYzODczOTk5LCJpYXQiOjE3NjI0OTE2MDAsImp0aSI6ImU0ZTBlNmRhLWE3YTQtNGUyOS05MTA1LWI1MTE4YTllYjM5MSIsInVybCI6Imh0dHBzOi8vd3d3Lndhc2hpbmd0b25wb3N0LmNvbS9kYy1tZC12YS8yMDI1LzExLzA1L2NoaWxkLXRheC1jcmVkaXQtZGMtY291bmNpbC8ifQ.di0uEdU_z-Q9zXO0pRqL8WHBNO8VfS2t5zBWTCNjOlI.

[17] A Better Way to Manage Medicaid Costs, State Health & Values Strategies, *available at:* https://shvs.org/wp-content/uploads/2021/02/A-Better-Way-to-Manage-Medicaid-Costs.pdf.

[18] Andy Schneider, The Truth about Fraud Against Medicaid, (January 10, 2025), *available at*: https://ccf.georgetown.edu/2025/01/10/the-truth-about-fraud-against-medicaid/.