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Testimony Before the District of Columbia Council  
Committee on Health  
April 27, 2026

Budget Oversight Hearing  
Department of Health Care Finance

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## **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 citywide solutions that benefit hundreds of thousands more.

Thank you for the opportunity to testify today about the proposed FY27 budget for the Department of Health Care Finance (DHCF). Medicaid is critical to the District's health system, with over 40% of residents covered by the program.<sup>1</sup> As we testified for performance oversight,<sup>2</sup> the District's Medicaid program experienced an incredibly challenging year as local and federal pressures led to major changes impacting the eligibility and benefits coverage of thousands of District residents.<sup>3</sup>

Given that city revenue and other economic conditions have not changed much from last year, it was expected that further damage would come to the Medicaid program. It was a pleasant surprise to see that the proposed budget ended up not

making any further eligibility changes to Medicaid or the Alliance program, and that vision and dental benefits have been added to Alliance as well as the Healthy DC Plan.<sup>4</sup> We are also glad to see level funding for Nurse Family Partnership.<sup>5</sup> Thank you to this Committee and Councilmember Nadeau for the additional funding in FY27 – it is great to see the program with level funding carry forward during a difficult budget year.<sup>6</sup> We are also glad to see only a minimal cut to doula services proposed in FY27 – through our co-leadership with the Doula Learning and Action Collaboration, that includes partnership with DHCF, we have seen implementation changes move forward and suspect increased utilization of doula services in Medicaid in the coming year.<sup>7</sup> We urge DHCF to move forward the Streamlining Credentialing Amendment Act of 2025 to better support doula services.<sup>8</sup>

Overall, we are glad to see stability across the agency., We know, however, that upcoming federal work requirements, cost sharing, and new redetermination cycles put the Medicaid expansion population at risk of losing their coverage.<sup>9</sup> It also should not be overlooked that the proposed budget contains over \$200 million in cuts to provider services, mostly concentrated on the childless adult population. We encourage the Committee to seek detailed answers on how further cuts to Medicaid and Alliance eligibility were avoided and how other aspects of Medicaid services will be affected by the budget.

My testimony will focus on streamlining Medicaid financing through the carve-in of behavioral health services into managed care. This long-delayed<sup>10</sup> action is an example of how the District can invest in structural changes and procedural updates that bring significant long-term savings and improve health outcomes.

**Investing Now in the Managed Care Carve-in of Behavioral Health Services Will Cut Costs Over Time and Strengthen Oversight of the Provider Network**

Since 2019, DHCF and DBH have been working toward a transformation of the behavioral health system.<sup>11</sup> This three-phase process is supposed to create a whole-person, population-based, integrated system,<sup>12</sup> but has yet to achieve that goal. Whole person care encompasses practices that address biological, behavioral, social, and environmental aspects of health, through prevention and restoring health rather than focusing on only treating a specific disease.<sup>13</sup> While the first phase has continued to successfully move forward through the 1115 Waiver,<sup>14</sup> other important parts of the transformation process have stalled. Specifically, the carve-in of behavioral health services into managed care has been paused since April 2024 without a plan for when the effort will continue.<sup>15</sup>

The District's current "carved-out" Medicaid financing structure separates MHRS and SUD services from the rest of the system, creating data gaps, complicated referral processes, and leaving Managed Care Organizations (MCO) without the ability to "see" all the care that their beneficiaries receive (Figure 1). The carve-in would

streamline financing, bringing behavioral health services in line with other health services paid for by MCOs (Figure 2).

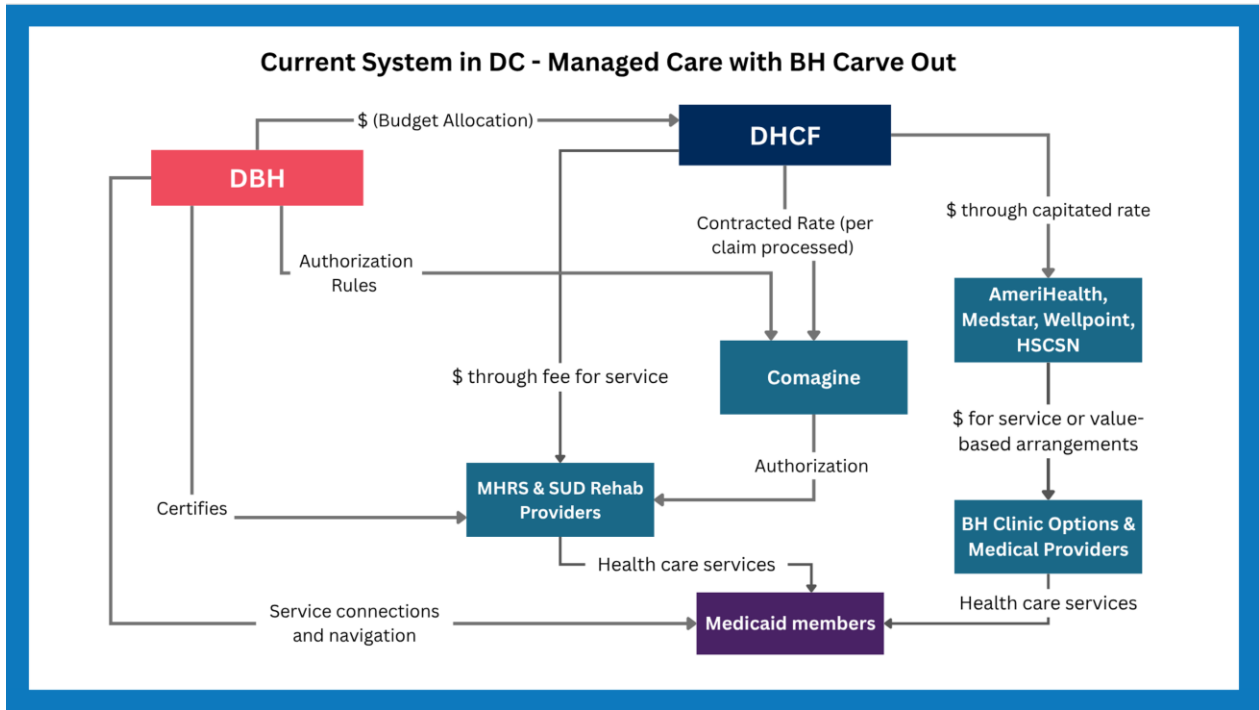


Figure 1. DC Medicaid carved-out behavioral health financing structure<sup>16</sup>

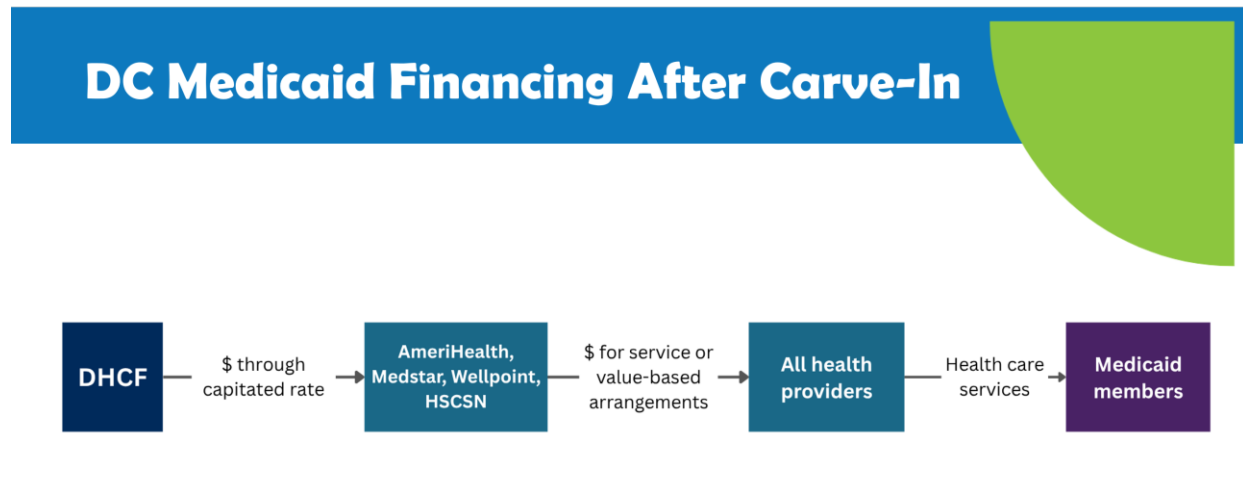


Figure 2. DC Medicaid carve-in financing structure

Within the current structure, DBH also takes on the key function of responding to suspected billing fraud. The process to de-certify a provider for billing fraud is multifaceted, involving multiple investigative entities,<sup>17</sup> and can take years to get to the final result (Figure 3). With the carve-in, MCOs would be able to de-panel and stop doing business with a provider when there is evidence of billing fraud in a far more streamlined manner (Figure 4).

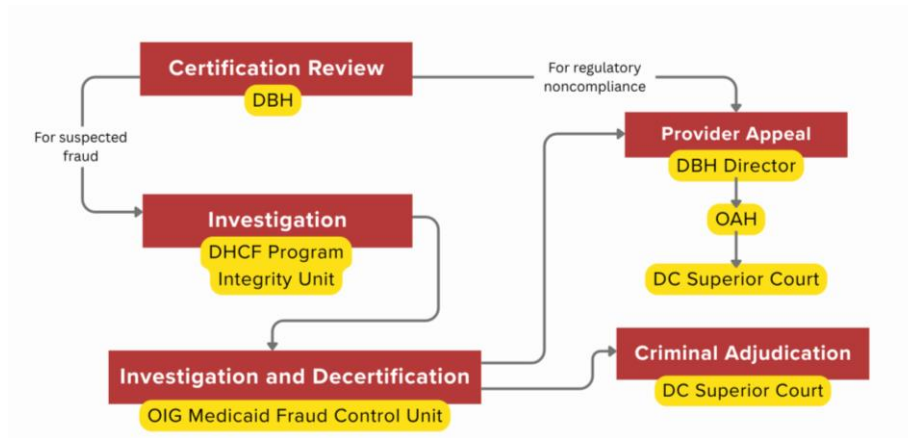


Figure 3. DBH de-certification process

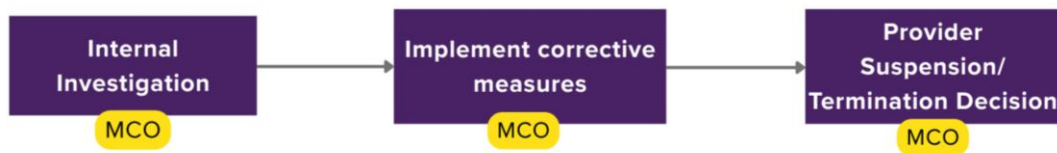


Figure 4. MCO de-paneling process

The carve-in will also be beneficial to consumers through improved care coordination. Quality care coordination can reduce duplicative tests, medication errors, and use of emergency care, all of which add to overall healthcare costs,<sup>18</sup> but if MCOs are unaware of the behavioral health services someone is getting, as they are now, they can't assist their enrollees and providers in making informed care coordination decisions. This potential impact on the care experience and treatment progress of patients' physical and behavioral health conditions can be mitigated by the carve-in. Even with integrated care settings in DC, where people can get physical and behavioral health care in the same building, the lack of an integrated payment system can unnecessarily complicate the process for MCOs to know what care their enrollees are receiving and assist in managing their care.

We have had recent meetings with Budget Director Jenny Reed and Deputy Mayor Wayne Turnage in which viable steps to making the carve-in happen were determined. DHCF shared in their performance oversight hearing that they're continuing to evaluate the financial implications of the carve-in.<sup>19</sup> The last estimate given for the annual cost of the carve-in was in early 2024, stated to be \$13.7 million.<sup>20</sup> While this cost may have changed in the past couple years, we propose that to initiate the carve-in, a quarter of the funding be provided as needed across DBH and DHCF for a July 1, 2027 start date. This will allow for implementation processes to begin and push the bulk of initial funding into the out years.

## Conclusion

Just as difficult economic realities continue to frame the budget, health care as a foundational need across the lifespan is a reality that can't be ignored. Delaying attention to this issue will only worsen people's well-being. The carve-in should not continue to be pushed off to address later, because the need for better health outcomes exists here and now. Thank you for the opportunity to testify today and I welcome any questions The Committee may have.

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<sup>1</sup> Monthly Medicaid and Alliance Enrollment Reports, (February 2026), *available at*: [https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page\\_content/attachments/MCAC%20Enrollment%20Report%20-%20February%202026.pdf](https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/MCAC%20Enrollment%20Report%20-%20February%202026.pdf).

<sup>2</sup> Chris Gamble, Children's Law Center, Testimony Before the District of Columbia Council Committee on Health, (January 27, 2026), *available at*: <https://childrenslawcenter.org/resources/2025-26-oversight-testimony-department-of-health-care-finance/>.

<sup>3</sup> \$182 million local spending pressure was identified last year. See: Budget Oversight Hearing on HBX, DMHHS, and DHCF, YouTube, (June 2025), *available at*: <https://www.youtube.com/watch?v=r7fYR4i1ab0>.

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

<sup>4</sup> "The *Grow DC* budget maintains comprehensive coverage while also responding to rising health care costs. We are adding new dental and vision benefits for Basic Health Plan and Alliance enrollees" Proposed FY27 Budget Executive Summary, *available at*: <https://app.box.com/s/bu4s5pqlxq6bnyf41798dhi2xthvy0fl>.

<sup>5</sup> Chris Gamble, Testimony Before the District of Columbia Council Committee on Health, (January 27, 2026), *available at*: <https://childrenslawcenter.org/resources/2025-26-oversight-testimony-department-of-health-care-finance/>; Chris Gamble, 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/>; Leah Castelaz, Testimony Before the District of Columbia Council Committee on Health, (April 29, 2024), *available at*: <https://childrenslawcenter.org/resources/fy25-budget-testimony-department-of-health-care-finance/>; Leah Castelaz, Testimony Before the District of Columbia Council Committee on Health, (February 8, 2024), *available at*: <https://childrenslawcenter.org/resources/2023-24-oversight-testimony-department-of-health-care-finance/>; Leah Castelaz, Testimony Before the District of Columbia Council Committee on Health, (December 14, 2023), *available at*: <https://childrenslawcenter.org/resources/testimony-public-roundtable-on-maternal-and-infant-health/>; Leah Castelaz, Testimony Before the District of Columbia Council Committee on Health, (October 4, 2023), *available at*: <https://childrenslawcenter.org/resources/testimony-home-visiting-services-reimbursement-and-childhood-continuous-coverage-acts-of-2023/>.

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<sup>6</sup> Increase home visiting services for first time parents by approving a \$100,000 increase, and accepting a transfer of \$300,000 from the Committee on Public Works & Operations, for a total of \$625,000 for the Nurse Family Partnership. *See* Committee on Health, Report and Recommendations of the Committee on Health on the Fiscal Year 2026 Budget for Agencies Under Its Purview, (June 23, 2025), *available at*: [https://static1.squarespace.com/static/5bbd09f3d74562c7f0e4bb10/t/6858519ed3c7487ab15a385e/1750618528038/Health\\_FY26+Budget+Recommendations+and+Report+%28Revised+Draft+1%29.pdf](https://static1.squarespace.com/static/5bbd09f3d74562c7f0e4bb10/t/6858519ed3c7487ab15a385e/1750618528038/Health_FY26+Budget+Recommendations+and+Report+%28Revised+Draft+1%29.pdf).

<sup>7</sup> Mayor's Proposed FY27 Budget, HT0 Department of Health Care Finance (DHCF), 70501 Doula Services, \$32,000 cut, *available at*: <https://app.box.com/s/de4otdus6huga9uhrahci29nio5rayk7/file/2206992626109>.

<sup>8</sup> Leah Castelaz, Testimony Before the District of Columbia Council Committee on Health, (March 25, 2026), *available at*: <https://childrenslawcenter.org/resources/testimony-streamlining-medicaid-credentialing-amendment-act-of-2025/>.

<sup>9</sup> 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/>.

<sup>10</sup> The initial date set for the carve-in was October 1, 2022. It was then delayed to October 2023 and finally to April 1, 2024 before being paused. Department of Health Care Finance, Behavioral Health Integration, *available at*: <https://dhcf.dc.gov/page/behavioral-health-integration>.

<sup>11</sup> Behavioral Health Integration, *available at*: <https://dhcf.dc.gov/page/behavioral-health-integration>.

<sup>12</sup> *Id.*

<sup>13</sup> National Center for Complementary and Integrative Health, Whole Person Health: What It Is and Why It's Important, (May, 2021), *available at*: <https://www.nccih.nih.gov/health/whole-person-health-what-it-is-andwhy-its-important>.

<sup>14</sup> Section 1115 Demonstration, *available at*: <https://dbh.dc.gov/node/1394436>.

<sup>15</sup> Chris Gamble, Children's Law Center, Testimony Before the District of Columbia Council Committee on Health, (February 12, 2025), *available at*: <https://childrenslawcenter.org/wpcontent/uploads/2025/02/DHCF-Performance-Oversight-2025-Childrens-Law-Center-Written-Testimony2.12.25.pdf>.

<sup>16</sup> Figures 1-4 are from an internal presentation created by Children's Law Center.

<sup>17</sup> DHCF's Program Integrity Unit is one of the investigative entities.

<sup>18</sup> U.S. Centers for Medicare & Medicaid Services, Care Coordination, (August, 2023), *available at*: <https://www.cms.gov/priorities/innovation/key-concepts/care-coordination#:~:text=Why%20Care%20Coordination%20is%20Important,with%20multiple%20complex%20health%20conditions>.

<sup>19</sup> DHCF Performance Oversight Hearing Presentation, *available at*: <https://lims.dccouncil.gov/Hearings/hearings/2125>.

<sup>20</sup> Amber Rieke, Children's Law Center Testimony before the DC Council Committee on Health, (April 29, 2024), *available at*: [https://childrenslawcenter.org/wp-content/uploads/2024/05/A-Rieke\\_Committee-onHealth\\_DHCF-FY25-Budget-Testimony\\_April-2024.pdf](https://childrenslawcenter.org/wp-content/uploads/2024/05/A-Rieke_Committee-onHealth_DHCF-FY25-Budget-Testimony_April-2024.pdf).