

September 13, 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:

As a group of small businesses and organizations representing small businesses based in the District of Columbia, we write to express our collective concerns about proposals under consideration that we believe will compound the uncertainties we face under federal health care reform.

Those of us who may have had doubts about the health reform law were comforted by President Obama's repeated assurances that, "If you like your health plan...you will be able to keep your health care plan. Period." But, by dismantling and recasting the separate health insurance marketplaces that serve small employer groups and individuals in the District, D.C. policymakers would take away the option of keeping the health plan that they now have. Rather, to continue to offer health benefits to employees after 2013, small employers like us would have no choice but to go to an undefined, untested, more expensive entity to obtain coverage. Especially in these uncertain economic times, many employers, and their workers, must be given the time to adjust their budgets for the estimated price increases of the Exchange. In addition, many of us have long-established relationships with health insurers we know and are guided by broker advisors who understand our unique needs. We do not want to be forced to buy the standardized, cookie-cutter coverage that would be offered through a government-run Exchange.

While groups and individuals with so-called "grandfathered" health plans will be able to keep them, those of us with non-grandfathered insurance plans would be required to renew only through the Exchange. Indeed, forcing all consumers seeking Individual or Small Group health coverage to go to the Exchange to purchase health plans runs counter to the ACA's essential promise of more – not less – choice. We believe this would be needlessly disruptive and could interfere with our rights to renew our current plans, because that current coverage would only be available if it were certified as a Qualified Health Plan (QHP). The diversity of small employer health plans currently available in the District cannot be replicated in the standardized plans offered by the Exchange. Small employers rely on choice amongst a wide array of health plans available in the current commercial marketplace and the flexibility to design contributions to complement each employer's unique budgetary and financial situations. This flexibility is crucial since health benefits are often the largest expense after compensation for most small employers. With the many changes that will be required of employers of all sizes under the new federal health care reform law, it seems unreasonable to add to those concerns by eliminating the commercial marketplace which we know for an undefined, unfamiliar and untested Exchange-driven marketplace.

In addition, we cannot ignore the significant costs of administering the Exchange which will undermine one of the key goals of the federal law - affordability. Small employers already face significant increases to health plan costs each year and our budgets are stretched thin. Adding an unexpected requirement for businesses with 51 to 100 employees to participate will not only be a shock to future planning, but will impact an employer's bottom line. Since we, the consumers, ultimately will pay the costs for running the Exchange, why is the District considering a proposal that would cost millions of dollars more each year than if the District retained the existing commercial marketplace as a choice alongside the Exchange?

Similarly, given that no one fully knows the unintended consequences that may occur as the ACA is fully implemented, we do not understand why District officials seem so intent to move immediately in restructuring the market. As we understand it, very few – if any – states have attempted to immediately merge the Individual and Small Group markets or to eliminate the commercial marketplace. Similarly, few states are expanding the definition of small employer group to 100 employees in advance of the 2016 date mandated to do so under the law. While we commend the District for seeking to be a national leader in implementing federal health care reform, it's far more important that you get it right than that you get it first. There will be plenty of time to consider the changes that District officials are now proposing once we know more about what works, what doesn't, and what should be changed.

The Exchange Board's decisions affect small employers and our employees directly and personally. Individuals and small employers in the healthcare market may not have the time, tools or knowledge to navigate the complexities of the ACA. At this time, being able to choose between existing plans and the Exchange is the reasonable and responsible choice. We understand the purpose of the Exchange and the challenges the District faces in creating a viable Exchange. We also respect the Board's efforts to make the Exchange viable by the federally-required implementation date. However, there are major concerns that have to be addressed in the very short window of time prior to implementation, including: testing the viability of the Exchange in a closed market, certifying QHPs, informing small employers of the District's plan to be unique in the Exchange market, and providing small businesses and individuals adequate time to adjust their budgets.

At minimum, we urge the Exchange Board to seek additional input from those stakeholders most directly affected by your decisions – individual consumers and small employer groups. Implementing federal health care reform is daunting enough; there is no need to add additional uncertainties by instituting drastic and unnecessary changes to the health insurance marketplace.

Thank you for your consideration. We offer, and would welcome, the opportunity to meet with you to discuss our concerns in greater detail.

Sincerely,

ACDI/VOCA  
AIDS United  
Allen & Associates  
Alliance Insurance Services  
American Academy of Orthotists & Prosthetists  
American Association for Clinical Chemistry, Inc.  
American Bakers Association  
American Cleaning Institute  
American Council for an Energy-Efficient Economy  
American Immigration Lawyers Association  
American Insurance Association  
American Road & Transportation Builders Association  
American Society of Association Executives  
Andre Chreky, the salon spa  
Apartment and Office Building Association of Metropolitan Washington

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Ashcraft & Gerel LLP

Association for Competitive Technology

Association for Professionals in Infection Control and Epidemiology

Axar Management

Beacon Consulting Group, Inc.

Blue House Design

Bogart

Brady Campaign and Brady Center To Prevent Gun Violence

Brawner Management, LLC

Building Owners and Managers Association International

Capital Medical Associates

Center for Constitutional Litigation, P.C.

Center for Nonprofit Advancement

CGH Technologies, Inc.

Chef Geoff's

Columbia Lighthouse for the Blind

Combined Properties, Incorporated

Communications Development

Consortium of Universities of the Washington Metropolitan Area

David All Group

DC Chamber of Commerce

Development Gateway, Inc.

Distilled Spirits Council

Elizabeth M. Ross and Kenneth M.H. Lee, M.D., P.C.

Entertainment Software Association

Environmental Law Institute

EOP Group, Inc.

Euroconsultants, Inc.

Federation of American Hospitals

Good Neighbors, LLC

Government Accountability Project

Hemsley Fraser Group

High Noon Communications

History Matters

Howard Eales, Inc.

Howard W. Phillips & Co.

ICI Mutual Insurance Company

Innovators Network Foundation

Interstate Natural Gas Association of America

J. Todd Miller & Associates, Inc.

Kaludis Consulting Group, Inc.  
Katz, Marshall & Banks LLP  
Knightsbridge Restaurant Group  
LEVICK  
LimeLeap Solutions  
Marvin A. Address & Associates, Inc.  
McBride Real Estate  
McClendon Center  
MCLA Inc.  
Metro TeenAIDS  
Metropolitan Washington Road & Transportation Builders  
Miller & Shook Companies  
National Association for Gifted Children  
National Association of Health Underwriters  
National Association of Regulatory Utility Commissioners  
National Association of State Departments of Agriculture  
National Council for Interior Design Qualification  
National Customs Brokers & Forwarders Association  
National Mining Association  
National Propane Gas Association  
Navista, Inc.  
NetChoice  
Pacific Cargoes  
Park Limited  
Passion Food Hospitality  
Promundo-US  
Radio Television Digital News Association / Foundation  
Regis & Associates, PC  
Reiter & Hill  
Restaurant Association Metropolitan Washington  
RULG-Ukrainian Legal Group, P.A.  
Sabin Vaccine Institute  
Society of Chemical Manufacturers & Affiliates  
Spiegel & McDiarmid LLP  
The Council for Responsible Nutrition  
The Episcopal Center for Children  
The Farm Credit Council  
The Ford Agency, Inc.  
The Gabriel Company, LLC  
The Prime Rib, Inc.  
Timothy A. Price, MD, PC  
Triad Communication / TRC Real Estate

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U.S. Grains Council  
U.S. Soccer Foundation  
United Fresh Produce Association  
Vinyl Siding Institute, Inc.  
Vogel, Slade & Goldstein, LLP  
Waterman and Associates  
Wenderoth, Lind & Ponack, L.L.P.  
Widmeyer Communications

**cc:** The Honorable Vincent C. Gray  
Beatriz Otero, Deputy Mayor for Health and Human Services  
Trustees, D.C. Health Benefits Exchange Authority Executive Board  
Members, Council of the District of Columbia  
Allen Lew, City Administrator

October 3, 2012

Addendum List of Signatories to September 13, 2012 Letter to Dr. Mohammed Akhter  
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Appleseed Foundation  
Atelier Architects  
Bockorny Group  
Bond & Pecaro  
Bonner, Kiernan, Trebach & Crociata  
Bonstra Haresign Architects  
Capitol Process Services, Inc.  
Carr Workplaces  
Casey Trees  
Clement's Pastry Shop  
Communications Development Incorporated  
Computer World Services  
Colonnade Condos  
Compressus  
Environmental Design & Construction  
The Fund for American Studies  
Fund for Global Human Rights  
Futures Industry Association  
Hartman-Cox Architects  
Hecht, Spencer and Associates  
The Herald Group  
I. Gorman Jewelers  
International Center for Research on Women  
International Dairy Foods Association  
International Franchise Association  
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Jewish Primary Day School of the Nation's Capital  
Jewish Women International  
King Branson LLC  
Land Trust Alliance  
Law Resources  
MAG America  
Man-Machine Systems Assessment, Inc.  
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McBride Real Estate Services  
Medical Device Manufacturers Association  
Medical Society of the District of Columbia  
Metropolitan Engineering, Inc. | Shapiro – O'Brien  
National Institute of Building Sciences

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North American Millers' Association  
North American Securities Administrators Association  
Pascal & Weiss, P.C.  
Poker Players Alliance  
Potomac Communications Group, Inc.  
Public Properties  
Rust Insurance Agency, LLC  
Safety Net Hospitals for Pharmaceutical Access  
Salsa Labs  
Society of the Plastics Industry  
Springboard Enterprises  
Theodore Roosevelt Conservation Partnership  
The Washington Center for Internships and Academic Seminars  
Washington Partners, LLC