

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To establish the Department of Health Care Finance as a separate, cabinet-level agency, to provide an organizational structure of the agency that includes a Director, Chief Financial Officer, General Counsel and sufficient support staff, to designate the powers and duties of the agency, to provide temporary independent personnel and contracting and procurement authority, to require the submission of a transition plan by the Mayor and approval of the transition plan by the Council, and to transfer assets and authority of all relevant agencies, including the Medical Assistance Administration and the Health Care Safety Net Administration from within the Department of Health to the Department of Health Care Finance.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Department of Health Care Finance Establishment Act of 2007".

Sec. 2. Definitions.

For the purposes of this act, the term:

- (1) "Attorney General" means the Attorney General for the District of Columbia.
- (2) "CMPA" means the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*).
- (3) "Department" means the Department of Health Care Finance established by section 3.
- (4) "Department CFO" means the Chief Financial Officer for the Department of Health Care Finance.
- (5) "District CFO" means the Chief Financial Officer of the District of Columbia.
- (6) "DOH" means the Department of Health.
- (7) "MAA" means the Medical Assistance Administration.
- (8) "PPA" means the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Official Code § 2-301.01 *et seq.*).

Sec. 3. Establishment of the Department of Health Care Finance.

Pursuant to section 404(b) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 787; D.C. Official Code § 1-204.04(b)), there is established a Department of Health Care Finance as a separate, cabinet-level agency, subordinate to the Mayor, within the executive branch of the government of the District of Columbia.

Sec. 4. Purpose of the Department.

The Department shall:

- (1) Maximize the well-being and quality of life for eligible low-income individuals and other populations through the provision of leadership and direction in administering responsive, effective, and efficient health-care benefits;
- (2) Develop a comprehensive, efficient, and cost-effective health-care system for the District's uninsured, under-insured, and low-income residents;
- (3) Develop eligibility, service coverage, and service delivery and reimbursement policies for the District's health-care-financing programs that ensure improved access and efficient delivery of service;
- (4) Ensure that District health-care programs maximize available federal financial assistance; and
- (5) Support the health-care policy, delivery, and access initiatives of the Department of Health and other District agencies through sound health-care financing.

Sec. 5. Appointment of Director.

The Department shall be headed by a Director, who shall:

- (1) Be appointed by the Mayor with the advice and consent of the Council, pursuant to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(a));
- (2) Be qualified by experience and training to carry out the purposes of the Department as set forth in section 4; and
- (3) Serve at the pleasure of the Mayor.

Sec. 6. Duties of Director.

In addition to other duties as may be lawfully imposed, the Director shall:

- (1) Supervise and direct the Department, organizing the Department for its efficient operation, including creating offices within the Department, as necessary, and exercising any other powers necessary and appropriate to implement the provisions of this act;
- (2) Receive, manage, and disburse all local and federal funds for operations and medical-assistance purposes of the Department;
- (3) Exercise personnel authority as appropriate to perform the functions of the Department consistent with the District of Columbia Government Comprehensive Merit

Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*);

(4) Execute grants, contracts, memoranda of agreement and understanding, or other agreements with governmental bodies, public and private agencies, institutions, and organizations on behalf of the Department;

(5) Collaborate with other District agencies to ensure the coordination of Department initiatives that may affect or involve programs within other District agencies; and

(6) Promulgate and implement rules and regulations necessary and appropriate to accomplish his or her duties and the Department's functions in accordance with Title 1 of the District of Columbia Administrative Procedures Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*).

Sec. 7. Department organization.

The Department shall:

(1) Have a Chief Financial Officer separate from any financial cluster, who shall:

(A) Be appointed by the Chief Financial Officer of the District of Columbia after consultation with the Director;

(B) Be qualified by experience and training to carry out accounting, budgeting, and financial management functions;

(C) Report directly to, be ultimately responsible to, and be under the supervisory direction of the District CFO, through the Director;

(D) Engage in the accounting, budgeting, and financial management functions as authorized by the District CFO;

(E) Serve as a member of the Department management team;

(F) Advocate for and advance the policy objectives of the Director, to the extent consistent with the ultimate responsibility of the Department CFO to, and supervisory control by, the District CFO; and

(G) Be subject to evaluation, discipline, and transfer by the District CFO, in consultation with the Director;

(2) Have a general counsel or the equivalent, who shall:

(A) Be appointed by the Attorney General for the District of Columbia as an employee of the Office of the Attorney General, after consultation with the Director;

(B) Be an attorney admitted to the practice of law in the District of Columbia;

(C) Be qualified by experience and training to advise the Department with respect to legal issues related to its powers and duties;

(D) Be in the Senior Executive Attorney Service as an at-will employee under the direction and control of the Attorney General;

- (E) Be subject to all applicable provisions of Title VIII-B of the CMPA;
 - (F) Have an attorney-client relationship with the Department;
 - (G) Advocate vigorously for the positions of the Department on legal issues, and if that advocacy poses a conflict with a legal position of the Attorney General, seek exemption from the supervision of the Attorney General as to that position, in accordance with section 855(b) of the CMPA; and
 - (H) Be subject to evaluation, discipline, and transfer by the Attorney General, after consultation with the Director; and
- (3) Have sufficient staff, supervisory personnel, and resources, and be organized to carry out the functions and duties set forth in this act.

Sec. 8. Powers and duties of the Department.

Notwithstanding any other provision of law, the Department shall:

- (1) Be the single state agency, successor to the Medical Assistance Administration, for the administration of the Medicaid Program under section 1902(a)(5) of the Social Security Act, approved July 30, 1965 (79 Stat. 344; 42 U.S.C. § 1396a(a)(5));
- (2) Administer the D.C. HealthCare Alliance program and any other publicly funded health-care insurance program;
- (3) Coordinate with the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services on all waivers, State Plan amendments, demonstration grants, and other opportunities to maximize federal assistance and fulfill the purposes of the Department as set forth in section 4;
- (4) Coordinate with other District government agencies to ensure effective and efficient use of Medicaid dollars, including providing training and technical assistance to ensure proper and timely billing and claims processing;
- (5) Cooperate with other District agencies to ensure coordinated health-care access and delivery for publicly funded health-care services;
- (6) Collaborate with the District agency responsible for eligibility determination in monitoring enrollment and beneficiary-outreach efforts;
- (7) Engage providers and clients in eligibility, access, quality-of-care, and reimbursement issues;
- (8) Develop and maintain a comprehensive information-technology infrastructure that accurately and efficiently processes claims, interfaces with other necessary public, private, and nonprofit information-technology systems, and collects information for data analysis of trending, cost measurement, performance management, policy development, and strategic planning;
- (9) Develop a long-term-care-finance infrastructure, in cooperation with other District agencies, including the Department of Disability Services, Office on Aging, Long-Term Care Ombudsman, and DOH;

(10) Promote cost-containment initiatives through policy development, best-practice implementation, grant development, innovative strategies to leverage funding sources, and strategic planning;

(11) Develop an annual budget for the Department to be submitted to the Council by the Mayor, in accordance with section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42); and

(12) Exercise any other power or duty necessary to fulfill the purposes of the Department as set forth in section 4.

Sec. 9. Temporary personnel and procurement authority.

Effective until October 1, 2009, the Department shall exercise:

(1) Personnel authority to hire, retain, and terminate personnel as appropriate to perform the functions of the Department consistent with the CMPA, including establishing compensation and reimbursement consistent with the District's wage grade and non-wage grade schedules and the Congressionally approved budget; and

(2) Procurement authority independent of the Office of Contracting and Procurement, consistent with the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Official Code § 2-301.01 *et seq.*); except with regard to the powers and duties set forth in sections 105(a), (b), (c), and (e) of the PPA.

Sec. 10. Transition process.

(a) No later than March 1, 2008, the Mayor shall submit a proposed transition plan, which has been approved by the Chief Financial Officer and which is accompanied by a proposed resolution, to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess, that identifies:

(1) All the powers, duties, functions, operations, real and personal property, positions, assets, records, and obligations, and all unexpended balances of appropriations, allocations, and other funds available, or to be made available, including those from the MAA and the Health Care Safety Net Administration, that are used to accomplish the purposes of the Department as set forth in section 4;

(2) The powers, duties, functions, operations, real and personal property, positions, assets, records, and obligations, and all unexpended balances of appropriations, allocations, and other funds available, or to be made available, that will be transferred to the Department;

(3) The impact of the proposed transfers on the budget of DOH and on the budgets of each affected District agency;

(4) The personnel who shall form the transition team and who shall be accountable for the monitoring and allocation of functions and assets to be transferred to the Department; and

(5) The procedure by which other District government agencies shall pre-approve claims and allow providers to submit bills directly to the Department, enabling the Department to satisfy valid claims from all available funding sources.

(b) If the Council does not approve or disapprove the proposed transition plan, in whole or in part, by resolution within the 45-day review period, the proposed transition plan shall be deemed approved;

(c) Nothing in this section shall affect any requirements imposed upon the Mayor by Title 1 of the PPA.

Sec. 11. Date of transfer of assets and authority.

No later than October 1, 2008, the transition plan required by section 10, as approved, shall be implemented.

Sec. 12. Continuation of rules and regulations.

All rulemaking and regulations for the administration of the District Medicaid Program and D.C. Health Care Alliance Program, issued under appropriate authority, shall continue in full force and effect.

Sec. 13. Applicability.

This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 14. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code 1-206.02(c)(3)).

Sec. 15. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia