



DISB Bulletin

A monthly publication of news and events of the DC Department of Insurance, Securities and Banking

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Judge Approves Crucial Settlement in Chartered Health Plan's Receivership Proceedings

Decision clears way to paying doctors, hospitals and pharmacies

A D.C. Superior Court judge Aug. 21 approved a \$48 million settlement between the Department of Health Care Finance and DC Chartered Health Plan Inc. which clears the way for creditors to be paid to a great extent starting in September.

In July, Chartered settled first with the Department of Health Care Finance, which Chartered claimed owed it more than \$60 million in unreimbursed medical costs, primarily for providing HIV/AIDS medications. The department settled for \$48 million, all of which will go to providers.

In August, Chartered settled with the two District hospitals, part of MedStar Health's not-for-profit regional network of 10 hospitals and health-care businesses. They had alleged Chartered owed them \$30 million.

The \$8.4 million MedStar settlement will come from Chartered's own accounts, not from the settlement with the Department of Health Care Finance, but will be paid to creditors in the same proportion as the other settlement. [DISB](#) and the [Department of Health Care Finance](#) posted information on how providers will be reimbursed through the settlement. Another judge court will consider the \$8.4 million settlement with MedStar in a separate proceeding at a later date. The department believes it likely will be approved.

"We're in the home stretch," said Commissioner William P. White, who became the court-appointed rehabilitator after the regulatory agency took Chartered into receivership in October. "We still have a lot of work, but at least the providers will know they'll be paid the lion's share of what they're owed. We've come a long way."

(See CHARTERED, on page 4)

Bank on DC Recognized as City's Best for Summer Youth Program

Mayor awards Bank on DC as "Best Host Site" for Summer Youth Employment Program

Mayor Vincent C. Gray named Bank on DC the Summer Youth Employment Program "Best Host Site" for 2013.

As a host site, Bank on DC's students, ages 18 to 21, trained for 20 hours to teach basic money management to the District's other summer interns. The students, called Young Money Managers, also had professional training sessions on savings, investments and writing hosted by DISB, home to the Bank on

DC program. The Young Money Managers and other partners conducted more than 70 financial education workshops with 4,000 youths across the city. Bank on DC, through a partnership with the local education technology company Everfi, also provided a 10-module web-based financial-education platform for the city's Summer Youth Employment Program participants. Ninety-three percent of the 250 enrolled students completed the Everfi training and received their certificate in financial education. The Young Money Managers also promoted savings through an outreach and awareness campaign using social media such as Instagram and Twitter.



Left to right, Deron Perkin, a Bank on DC Young Money Manager; Shinada Phillips, project manager intern for Bank on DC; Mayor Vincent C. Gray, Sybongile Cook, Bank on DC Program Manager; and Tamara Haye Daufour, chair of the D.C. Financial Literacy Council. *(Photo provided by Bank on DC)*

DISB Event Roundup

A briefing of some of the recent department events and presentations

DISB, Bank on DC and CFPB Hold First Review of Youth Financial Education

Joint meeting with Consumer Financial Protection Bureau highlights local youth financial education initiatives



Representatives from local and federal financial regulatory agencies discuss financial literacy initiatives on Aug. 6. (Photo provided by Bank on DC)

At the request of the Consumer Financial Protection Bureau, DISB, Bank on DC and the D.C. Department of Employment Services hosted a listening session on Aug. 6 to discuss local and national youth financial education initiatives.

The goal of the session was to initiate dialogue between financial education providers from various sectors to enhance youth financial literacy throughout communities. Participants shared their experiences, successes and challenges, and identified ways the federal government could assist.

Bank on DC's Young Money Manager's program presented a mock financial education lesson to attendees. The pilot program trained 20 students to offer financial literacy education to participants in the Mayor's 2013 Summer Youth Employment Program.

Attendees consisted of 19 federal and local government agencies and nonprofits including the National Credit Union Administration, U.S. Department of Labor, Federal Deposit Insurance Corporation, Metropolitan Washington Bankers Group, Capital Area Asset Builders and Operation Hope.

DISB and Others Continue to Educate District Seniors on Financial Fraud

Educating our city's seniors continues as a department priority

DISB in collaboration with AARP Legal Counsel for the Elderly, U.S. Attorney's Office-D.C. and the D.C. Office on Aging recently produced two events on senior financial fraud prevention.

The experts presented at the Hayes Senior Wellness Center in Ward 6 on Aug. 14 and the University of the District of Columbia's Institute of Gerontology in Ward 3 Aug. 21. They

provided information on types of financial fraud, detecting fraud, filing a complaint and legal strategies and resources to approximately 120 participants.

The University of the District of Columbia Institute of Gerontology presentation offered a unique opportunity to educate the volunteers from the Senior Companion/Respite Aide Program of Washington, D.C. The program has trained thousands of senior volunteers 55 years and older living in the District who help other District citizens in their places of residence or at group facilities. During the event, the volunteers learned about financial fraud so that they can pass the information to the seniors in their care and also detect signs of fraud. See our upcoming DISB financial education events on page four in the calendar of events.

DISB Educates Ward 7 Seniors on Reverse Mortgages and Home Equity Options

The use of reverse mortgages is increasing among seniors

Chief Bank Examiner Warren Hochbaum educated members of the Washington Seniors Wellness Center on reverse mortgages and home equity loans on Aug. 21 in Ward 7. His presentation focused on eligibility, repayment and things to consider regarding a reverse mortgage.



DISB's Chief Bank Examiner Warren Hochbaum answers questions about reverse mortgages. (DISB photo)

A reverse mortgage is a loan that lets homeowners 62 and older borrow against the equity in their homes. Homeowners can take out their equity without having to sell the home. The lender pays you a lump sum, a monthly advance, a line of credit or a combination. The amount you can borrow is based generally on your age, the equity in your home and the interest rate the lender is charging.

Hochbaum explained that reverse mortgages affect home equity and how the elderly need to be mindful of fraud when considering this type of mortgage. Seniors should not respond to any unsolicited advertisements or sign any documents they don't understand. He also encouraged them to seek advice from a housing counselor approved by the U.S. Department of Housing and Urban Development, known as HUD, before getting a reverse mortgage loan.

The D.C. Office of Cable Television taped the presentation and it will soon be available for the public to learn more about reverse mortgages. When available, it will be featured on DISB's You Tube <http://www.youtube.com/DCDISB>. You can also read "[What You Should Know About Reverse Mortgages](#)" on our website for more information.

DC Health Link FAQ

DC Health Link, the District's health insurance exchange, opens for enrollment Oct. 1. Here are some common questions and answers about the new health insurance marketplace and the rights and benefits under the federal health care law, the Affordable Care Act.

What is DC Health Link?

DC Health Link is a new online marketplace where you can shop for health insurance, compare policies side-by-side, and choose the policy that best meets your needs and budget. It will help you find out if you are eligible for help paying your premiums and your cost-sharing expenses. If your income is low enough, it will get you enrolled in the District's Medicaid program.

Does DC Health Link affect DC and Federal government employees' health insurance?

No, DC Health Link is for individuals who need to self-insure or small business owners (50 or less employees) shopping for health insurance options for their employees. Large employers, like the District of Columbia Government, are not required to shop for health insurance through DC Health Link. However, if you have friends or family members that are uninsured, let them know about [DC Health Link](#) and how they can get covered. You can also download the [DC Health Link brochure](#).

When can I enroll in health insurance coverage at DC Health Link?

DC Health Link will be open for enrollment on Oct. 1, 2013. Individuals and families buying coverage after that date will have coverage on Jan. 1, 2014.

What are my rights under the law?

Insurance companies are not allowed to turn you down or charge you more because of a current or past medical condition like diabetes, heart disease, or cancer. And they must pay for care related to your condition. If you are a woman of child-bearing age, insurance companies can't charge you more. And insurance companies cannot cap your benefits annually nor have lifetime dollar caps.

What are my benefits under the law?

Insurance policies must cover all essential health benefits including doctor vis-

its, hospital stays, emergency room care, maternity and newborn care, prescription drugs and lab tests, substance abuse and mental health treatment. Preventive care including cancer screenings, immunizations, and well-baby visits are covered with no cost-sharing.

Will I be able to get help shopping for health insurance?

Trained experts will be available to you – at no cost – to help you shop for health insurance and find out if you are eligible for financial help to lower your insurance costs. A telephone hotline will be open 24/7 and you can make an appointment to work with an expert in person. You can also work with an insurance broker.

Who is eligible for financial help to reduce monthly insurance premiums?

Many people will be eligible for help to pay their premiums when they shop at DC Health Link. Based on your income, you will know how much help you are qualified to receive. If your income is low enough, you will qualify for Medicaid at no cost to you. If you are buying private insurance, you are likely to be eligible for help paying your premiums based on a sliding scale if you are:

- A single adult with income up to \$45,960;
- A family of two with income up to \$62,040;
- A family of three with income up to \$78,120; or
- A family of four with income up to \$94,200.

Am I required to have health insurance?

Starting in January 2014, most people are required to have health insurance or pay a penalty to the Internal Revenue Service. Some people are exempt from this requirement including people who would have to spend more than 8 percent of their income to buy insurance and those with income below the threshold for filing taxes.

If my income is lower, can I qualify for Medicaid?

If your income is below 200 percent of the federal poverty line you are eligible for coverage through Medicaid at no

cost to you. In 2014, a single adult resident of the District of Columbia with income below \$22,980 is likely to be eligible for Medicaid.

How much will it cost to buy health insurance through DC Health Link?

All prices and policies will be posted on Oct. 1, but you can preview the rates on the Department of Insurance, Securities and Banking's website [at this link](#). You will have many choices from leading health insurance companies: Aetna, CareFirst BlueCross BlueShield, Kaiser Permanente and United HealthCare. They will offer 34 policies for individuals and families and 267 policies for small businesses.

What if I live in Maryland or Virginia?

If you are a Maryland resident shopping for an individual health plan or Maryland-based small business owner, visit the [Maryland Health Connector](#) to view the health insurance options available to you. Maryland, like the District of Columbia, decided to set up its own health insurance exchange instead of an exchange operated by the federal government. Virginia opted for the federally-run exchange, so you can visit this link at [healthcare.gov](#) and select Virginia to understand your options as an individual or small business owner living or based in Virginia.

What Businesses Need to Know About DC Health Link

How does the health law affect small businesses and their employees?

The health law provides small business owners with more clout in the marketplace. Employers with 50 full-time workers or fewer can shop for coverage through DC Health Link and compare prices and policies side by side. Employers with 25 or fewer full-time workers may be eligible for tax credits that will reduce their costs by as much as 50 percent (35 percent for nonprofit organizations). Insurers can't charge higher premiums to companies based on their size or on the type of work they do.

(Continued on page 4)

How do I determine Large Employer Status?

To be subject to the employer shared responsibility provisions in the health care law, an employer must employ at least 50 full-time employees or a combination of full- and part-time employees that equals at least 50. For example, you employ 40 full-time employees that work 30 or more hours per week on average plus 20 half-time employees employed 15 hours per week on average are equivalent to 50 full-time employees. Employers will determine each year, based on their current number of employees, whether they will be considered a large employer for the next year. For example, if an employer has at least 50 full-time employees (including full-time equivalents) for 2013, it will be considered a large employer for 2014.

I own several businesses. Are they accounted for separately?

Consistent with standards that apply for other tax and employee benefit purposes, companies that have a common owner or are otherwise related generally are combined together for purposes of determining whether or not they employ at least 50 full-time employees (or an equivalent combination of full- and part-time employees). If the combined

total meets the threshold, then each separate company is subject to the employer shared responsibility provisions—even those companies that individually do not employ enough employees to meet the threshold. The proposed regulations provide information on the rules for determining whether companies are related and how they are applied for purposes of the employer shared responsibility provisions.

Don't Fall Victim to Fraud and Scammers

While the department has not seen fraud related to DC Health Link, since the passage of the federal health care reform law, scammers are trying to find ways to defraud consumers. The best defense is for you to stay informed and watch for the signs of a scam. Here are a few tips.

Don't be fooled by fake sites or offers to sign you up early

In the District, you cannot sign up health insurance on DC Health Link until October 1, 2013 and only at www.dchealthlink.com. Don't be fooled by fake websites claiming to help you – or charge you – early.



There is no such thing as an "Obamacare card"
Consumers need to hang up on telemarketers claiming to be

"from the government" offering "Obamacare cards," and even threatening jail time for people who do not buy health insurance. It's a scam.

Protect your personal, health and financial information

No one should be asking for your personal health information. Don't give it to anyone. Keep personal and account numbers private. Don't give your Social Security number or credit card or banking information to companies you didn't contact or in response to unsolicited advertisements.

Do not pay for someone to help you

The District will have trained assisters to help you at no cost. Do not fall prey to anyone charging you at any time. Never give your personal health or financial information to someone who calls or comes to your home uninvited.

Call DISB and report anything suspicious

You can reach us by phone at (202) 727-8000, by email at disb@dc.gov or visit us at disb.dc.gov. For more information [follow this link](#).

CHARTERED (Cont. from page 1)

Chartered Health, once one of the District's largest contractors, insured more than 100,000 Medicaid clients until it ran into financial troubles. Chartered suspended payments to its hundreds of health-care providers in April.

That month the rehabilitator sold most of Chartered's assets to the AmeriHealth Group of Companies headquartered in Philadelphia, which now operates as AmeriHealth Caritas here.

The rehabilitator transferred the enrollees from Chartered to AmeriHealth with no interruption in health care for some of the District's poorest and most vulnerable residents.

The rehabilitator is still seeking \$17 million he alleges Chartered's parent company owes Chartered. The parent is owned by District businessman Jeffrey E. Thompson.

To view documents related to Chartered, visit disb.dc.gov/chartered.

Event Calendar

AARP Financial Fraud Presentation — Sept. 9, 2013, noon - 1 p.m., Jones Memorial Methodist Church, 4625 G Street, SE

AARP Financial Fraud Presentation — Sept. 16, 2013, 1 -2 p.m., Metropolitan Memorial Methodist Church, 3401 Nebraska Avenue, NW

AARP Financial Fraud Presentation — Sept. 18, 2013, 1—2 p.m., Congress Heights Senior Wellness Center, 3500 MLK, Jr. Avenue., SE

2013 Small Business Opportunity Forum — Sept. 24, 2013, 9 a.m. - 7 p.m., Walter E. Washington Convention Center, 801 Mt. Vernon Place, NW

6th Annual Tenant and Tenant Association Summit — Sept. 28, 2013, 8 a.m. - 5 p.m., Kellogg Center at Gallaudet University, 800 Florida Avenue, NW

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