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DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

DRAFT Staff proposed budget FY18

Nov 9, 2016



DRAFT STAFF PROPOSED BUDGET- FY18

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- **RED Identifies ACA Required Functions**
- Efficiency: Renegotiate contracts for cost savings; leverage DC gov't agencies; phase-out consultants and transition to FTEs
- FY 2018 STAFF DRAFT PROPOSED BUDGET \$28,161,557
- Funded through an assessment on health carriers (1%)



BUDGET COMPARISON: FY17 & FY18

	FY17 APPROVED BUDGET	FY18 STAFF DRAFT PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	\$12,126,997	\$9,343,617	-\$2,783,380.00	-23%
CONSUMER EDUCATION AND OUTREACH	\$1,976,510	\$2,373,440	\$396,930.00	20%
IT (DCHealthLink.com)	\$14,121,230	\$10,458,458	-\$3,662,772.00	-26%
AGENCY MANAGEMENT PROGRAM	\$5,588,236	\$5,327,202	-\$261,034.00	-5%
AGENCY FINANCIAL OPERATIONS	\$708,294	\$658,840	-\$49,454.00	-7%
TOTAL BUDGET	\$34,521,266	\$28,161,557	-\$6,359,709.00	-18%



BUDGET COMPARISON: FY17 & FY18 FTEs

	FY17 APPROVED FTE	FY18 PROPOSED FTE	DIFFERENCE
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	41.0	41.0	0.0
CONSUMER EDUCATION AND OUTREACH	5.0	5.0	0.0
IT (DCHealthLink.com)	25.0	25.0	0.0
AGENCY MANAGEMENT PROGRAM	18.0	18.0	0.0
AGENCY FINANCIAL OPERATIONS	3.0	3.0	0.0
TOTAL FTE	92.0	92.0	0.0

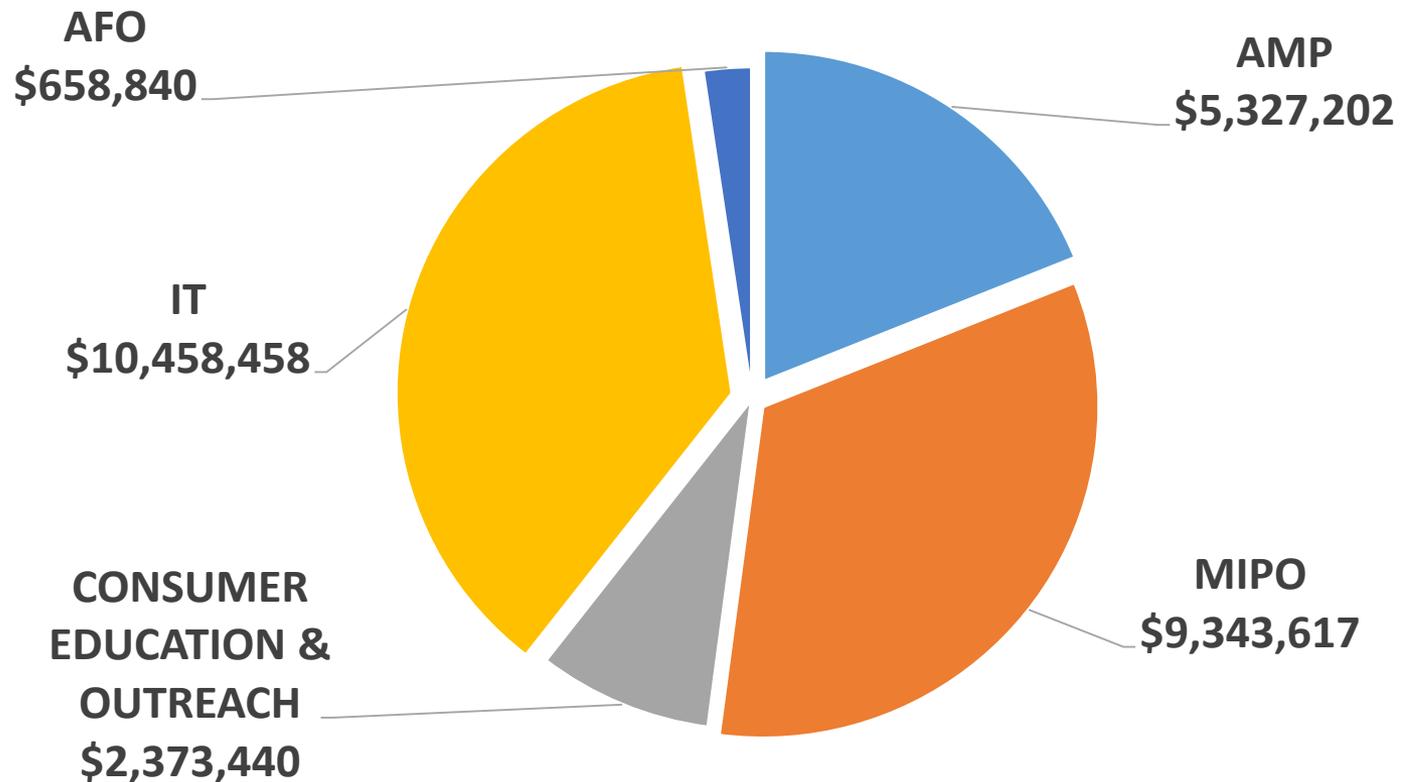


SUMMARY PROPOSED FY18

	FY18 PROPOSED BUDGET	FTE'S
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	\$9,343,617	41
CONSUMER EDUCATION AND OUTREACH	\$2,373,440	5
IT (DCHealthLink.com)	\$10,458,458	25
AGENCY MANAGEMENT PROGRAM	\$5,327,202	18
AGENCY FINANCIAL OPERATIONS	\$658,840	3
TOTAL	\$28,161,557	92

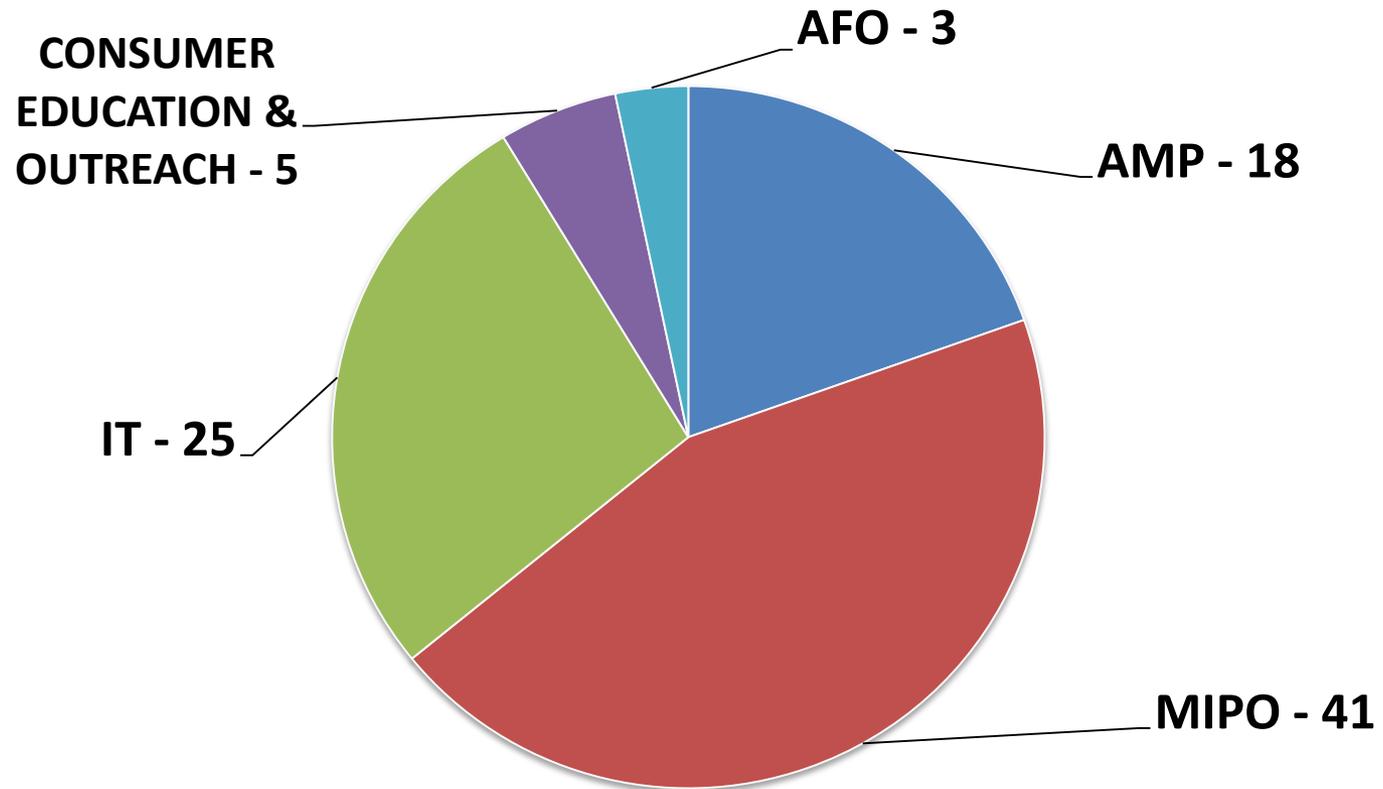


FY18 BUDGET BY PROGRAM





FY18 FTEs BY PROGRAM





MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

PROPOSED FY18 BUDGET = \$9,343,617
(FY 17 BUDGET=\$12,126,997)

- **FY18 PERSONNEL SERVICES BUDGET FOR 41 FTEs = \$4,737,279**
- **NON-PERSONNEL SERVICES = \$4,606,338**

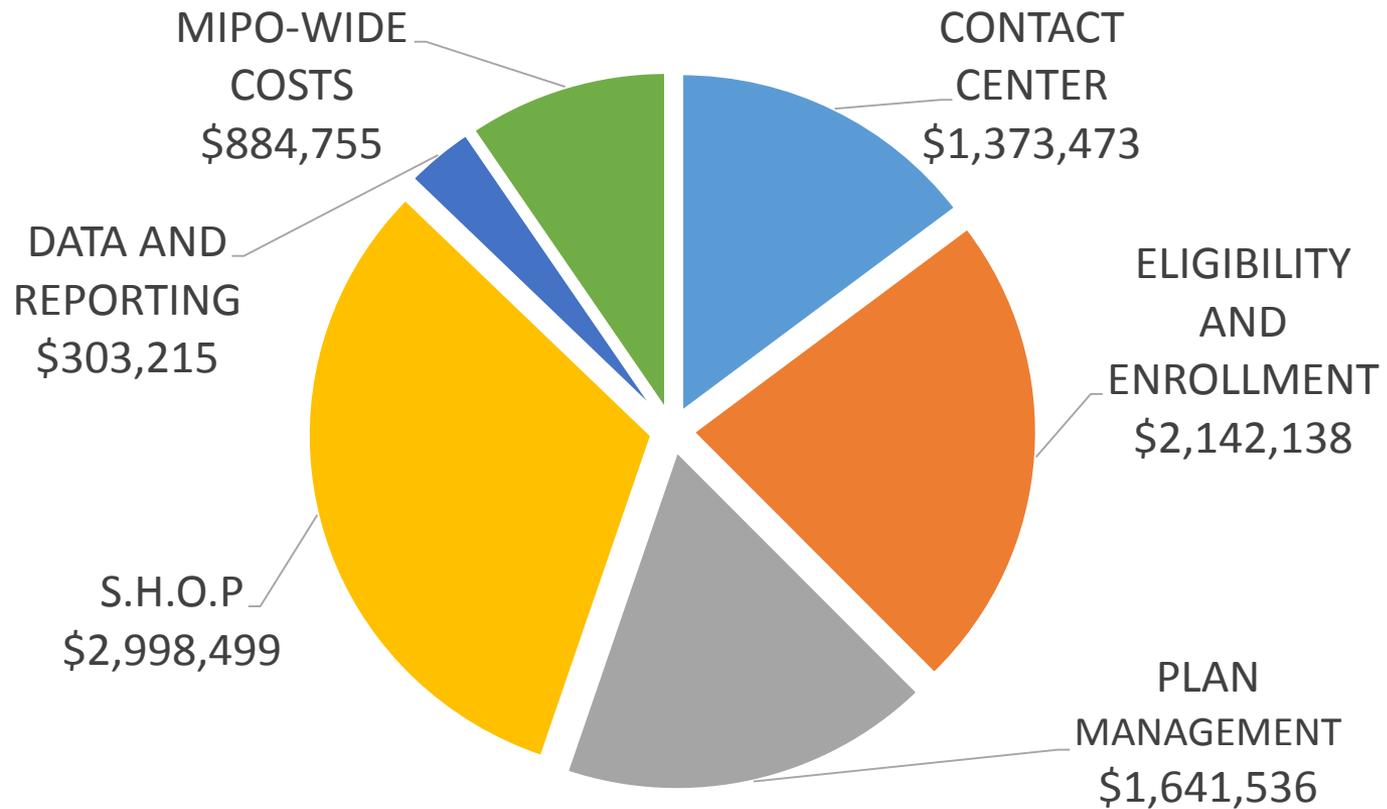


MIPO Cont. FUNCTION AREAS

- **CONTACT CENTER** (ACA REQUIREMENT): \$1,373,473
- **ELIGIBILITY AND ENROLLMENT** (ACA REQUIREMENT): \$2,142,138
- **PLAN MANAGEMENT** (ACA REQUIREMENT): \$1,641,536
- **S.H.O.P.** (ACA REQUIREMENT): \$2,998,499
- **DATA AND REPORTING** (ACA REQUIREMENT): \$303,215
- **MIPO-WIDE COSTS: (SOFTWARE, SUPPLIES, SALARIES NOT INCLUDED IN CATEGORIES ABOVE, TRAINING): \$884,755**



MIPO BUDGET BY FUNCTION AREAS





MIPO: CONTACT CENTER (ASSUMES 94/6 COST ALLOCATION W/MEDICAID)

CONTACT CENTER FY 18 BUDGET = \$1,373,473
(FY 18 TOTAL COST = \$8,156,920)

- NON-PERSONNEL SERVICES = \$1,373,473:
 - CONTACT CENTER SERVICE CONTRACT- \$420,000 (FY 18 total cost of \$7M)
 - CALL CENTER SALESFORCE LICENSES - \$9,616 (FY 18 total cost of \$160,000)
 - ADMIN - \$3,387 (FY 18 total cost of \$56,450)
 - RENT - \$837,470 (L'ENFANT PLAZA)*
 - LANGUAGE LINE - \$103,000*

*FULL COST BILLED TO HBX. WILL BE REDUCED SUBJECT TO COST ALLOCATION AGREEMENT



MIPO: ELIGIBILITY AND ENROLLMENT **(INDIVIDUAL MARKETPLACE)**

FY18 BUDGET = \$2,142,138

- **PERSONNEL SERVICES BUDGET FOR 13.5 FTEs = \$1,263,138**
 - **ELIGIBILITY AND ENROLLMENT STAFF: 3.5 FTEs = \$488,578**
 - **MEMBER SERVICES STAFF: 10.0 FTEs = \$774,560**
- **NON-PERSONNEL SERVICES = \$879,000**



MIPO: ELIGIBILITY AND ENROLLMENT (CONT.)

- NON-PERSONNEL SERVICES = \$879,000
 - MOA WITH DHS FOR ESA: \$100,000 (reduced from \$775,000 in FY 17)
 - MOA WITH OAH FOR ELIGIBILITY APPEALS: \$25,000
 - MOA WITH OFFICE OF DISABILITY RIGHTS FOR SIGN LANGUAGE INTERPRETATION: \$1,500
 - NOTICE PRINTING/MAILING: \$250,000**
 - AMHARIC/SPANISH TRANSLATION OF NOTICES: \$250,000
 - CONSULTING SERVICES: \$250,000
 - DOCUMENT IMAGING (ESA): \$2,500

**FULL COST BILLED TO HBX. WILL BE REDUCED SUBJECT TO COST ALLOCATION AGREEMENT FOR NOTICES THAT ARE COST ALLOCATED. SOME NOTICES ARE HBX ONLY.



MIPO: PLAN MANAGEMENT

PLAN MANAGEMENT FY18 BUDGET = \$1,641,536

- PERSONNEL SERVICES BUDGET FOR 3.5 FTEs = \$495,536
- NON-PERSONNEL SERVICES = \$1,146,000
 - ACTUARIAL SERVICES - \$250,000
 - DOCTOR DIRECTORY AND PLAN MATCH (INCLUDES PHARMACY TOOL & NEW NATIONWIDE DOCTOR DIRECTORY) - \$896,000 (increased by \$96,000 from FY 17)



MIPO: S.H.O.P.

S.H.O.P FY18 BUDGET = \$2,998,499

- PERSONNEL SERVICES BUDGET FOR 18.5 FTEs = \$1,948,499
 - SHOP STAFF: 3.5 FTEs = \$598,139
 - SHOP ACCOUNT MANAGERS: 15 FTEs = \$1,350,360
- NON-PERSONNEL SERVICES = \$1,050,000:
 - PREMIUM AGGREGATION - \$800,000
 - CONSULTING SERVICES - \$250,000



MIPO: DATA AND REPORTING

DATA AND REPORTING FY18 BUDGET = \$303,215

- PERSONNEL SERVICES BUDGET FOR 2 FTEs = \$299,675
- NON PERSONNEL SERVICES = \$3,540
 - INTERNAL SURVEY TOOL: \$3,540



CONSUMER EDUCATION AND OUTREACH

CONSUMER EDUCATION AND OUTREACH FY18 BUDGET =
\$2,373,440 (FY 17 BUDGET = \$1,976,510)

- PERSONNEL SERVICES FOR 5 FTEs = \$714,640
- NON-PERSONNEL SERVICES = \$1,658,800:
 - BUSINESS PARTNERS - DC CHAMBER OF COMMERCE, GREATER WASHINGTON HISPANIC CHAMBER OF COMMERCE, RESTAURANT ASSOCIATION METROPOLITAN WASHINGTON - \$300,000
 - COMMUNITY OUTREACH AND MARKETING - \$583,000 (increased from \$350,000 in FY 17)
 - HEALTH INSURANCE LITERACY CAMPAIGN - \$100,000 (new in FY 18)
 - **NAVIGATOR PROGRAM/ASSISTERS** - \$650,000
 - ADMIN - \$25,800



IT (DCHealthLink.com)

IT FY18 BUDGET= \$10,458,458 (FY 17 BUDGET = \$14,121,230)

- PERSONNEL SERVICES FOR 25 FTEs = \$3,469,287 (CONVERSION OF IT CONSULTANTS TO FTE's)
- NON- PERSONNEL SERVICES = \$6,989,171
 - IT CONSULTANTS - \$4,942,080
 - SOFTWARE COSTS - \$827,499 (reduced from \$2,832,707 in FY 17)
 - SALESFORCE LICENSE - \$223,970
 - OCTO IT ASSESSMENT - \$111,952 (reduced from \$1,839,901 in FY 17)
 - ADMIN COSTS - \$36,200
 - FIXED COST (RENT & SUPPLEMENTAL HVAC) - \$847,470



AGENCY MANAGEMENT PROGRAM(AMP)

AMP FY18 BUDGET= \$5,327,202 (FY 17 BUDGET = \$5,588,236)

- PERSONNEL SERVICES FOR 18 FTEs = \$3,005,098
- NON-PERSONNEL SERVICES = \$2,322,103
 - FIXED COST - \$1,671,153 (INCLUDES RENT, TELEPHONES & SUPPLEMENTAL HVAC)
 - INSURANCE AND OTHER EXECUTIVE BOARD EXPENSES - \$103,000
 - LEGAL EXPENSES (CONSULTANTS, SUBSCRIPTIONS) - \$57,000
 - MOA WITH DCHR: HR SUPPORT SERVICES - \$168,950 (negotiating reduction for FY18)
 - MOA WITH DISB: ASSESSMENT SERVICES - \$85,000
 - MOA WITH CONTRACT APPEALS BOARD - \$25,000
 - EMPLOYEE TRAINING - \$25,000
 - TEMPORARY STAFFING AGENCY - \$20,000
 - MEMBERSHIP (INCLUDING NASHP) - \$19,000
 - ADMIN - \$148,000 (COMPUTERS, TRAVEL, OFFICE SUPPLIES, ETC.)



AGENCY FINANCIAL OPERATIONS (AFO)

AFO FY18 BUDGET = \$658,840 (FY 17 BUDGET = \$708,294)

- PERSONNEL SERVICES FOR 3 FTEs = \$499,940
- NON-PERSONNEL SERVICES = \$158,900
 - AUDITING SERVICES (INCLUDING CAFR, SINGLE AUDIT, SMART AUDIT)- \$150,000
 - ADMIN - \$8,900



FY 18 BUDGET SUMMARY

- **FY 18 Budget = \$28,161,557**
 - Reduced by more than \$6.3M from FY 17
 - No increase in FTEs
 - 1% assessment does not increase



DC HEALTH LINK

- Although **last state to start building IT**, was 1 of 4 states that opened on time and stayed open (Bloomberg News)
- **Congress and the President enrolled**
- **ACA is working in DC: uninsured rate cut in half** (3.7%-4% uninsured); tied for 1,2, or 3rd lowest uninsured
- Since October 1, 2013, over 257,000 people have come through DC Health Link (includes 174,000 people determined eligible for Medicaid coverage; private enrollment includes SHOP customers)
- AWS “**Best Practices in Innovation 2016 Winner**” (open source code, agile development, in the cloud)



ACA coverage expansion in DC

2016 Survey conducted by Center for the Study of Services for DCHBX found:

- 25% of the people who enrolled in individual private health insurance coverage during the most recent open enrollment period were uninsured prior to getting coverage through DC Health Link.
- 53% of the people who were determined eligible for Medicaid were uninsured before applying.
- 40% of the small businesses enrolled in DC Health Link did not offer health insurance to their employees prior to enrollment through DC Health Link.