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DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

HBX Proposed Budget FY20

HBX Executive Board

November 14 , 2018



STAFF PROPOSED BUDGET- FY20

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
 - \$1.09M savings with MA partnership
- FY20 PROPOSED BUDGET \$31,657,448, with a \$29,503,020 PROPOSED BUDGET FOR ASSESSMENT
- **Funded through an assessment on health carriers (.90%)**



COMPARISON: FY19 & FY20

	FY19 APPROVED BUDGET	FY20 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,167,103	\$10,619,832	\$452,729	4.45%
CONSUMER EDUCATION AND OUTREACH	\$2,979,574	\$2,983,333	\$3,759	0.13%
IT (DCHealthLink.com)	\$11,675,858	\$11,701,659	\$25,801	0.22%
AGENCY MANAGEMENT PROGRAM	\$5,616,754	\$5,642,719	\$25,965	0.46%
AGENCY FINANCIAL OPERATIONS	\$704,308	\$709,905	\$5,597	0.79%
TOTAL BUDGET	\$31,143,597**	\$31,657,448*	\$513,851	1.65%

***FY20 BUDGET FOR ASSESSMENT: \$29,503,020 (1.06% decrease from FY19)**

****FY19 BUDGET FOR ASSESSMENT: \$29,817,787**



BUDGET COMPARISON: FY19 & FY20 FTEs

	FY19 APPROVED FTE	FY20 PROPOSED FTE	DIFFERENCE
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	44.0	47.0	3.0
CONSUMER EDUCATION AND OUTREACH	5.0	5.0	0.0
IT (DCHealthLink.com)	31.0	28.0	(3.0)
AGENCY MANAGEMENT PROGRAM	18.0	18.0	0.0
AGENCY FINANCIAL OPERATIONS	3.0	3.0	0.0
TOTAL FTE	101.0*	101.0*	0.0

***5 FTEs FUNDED THROUGH AGREEMENT WITH MASSACHUSETTS HEALTH CONNECTOR**



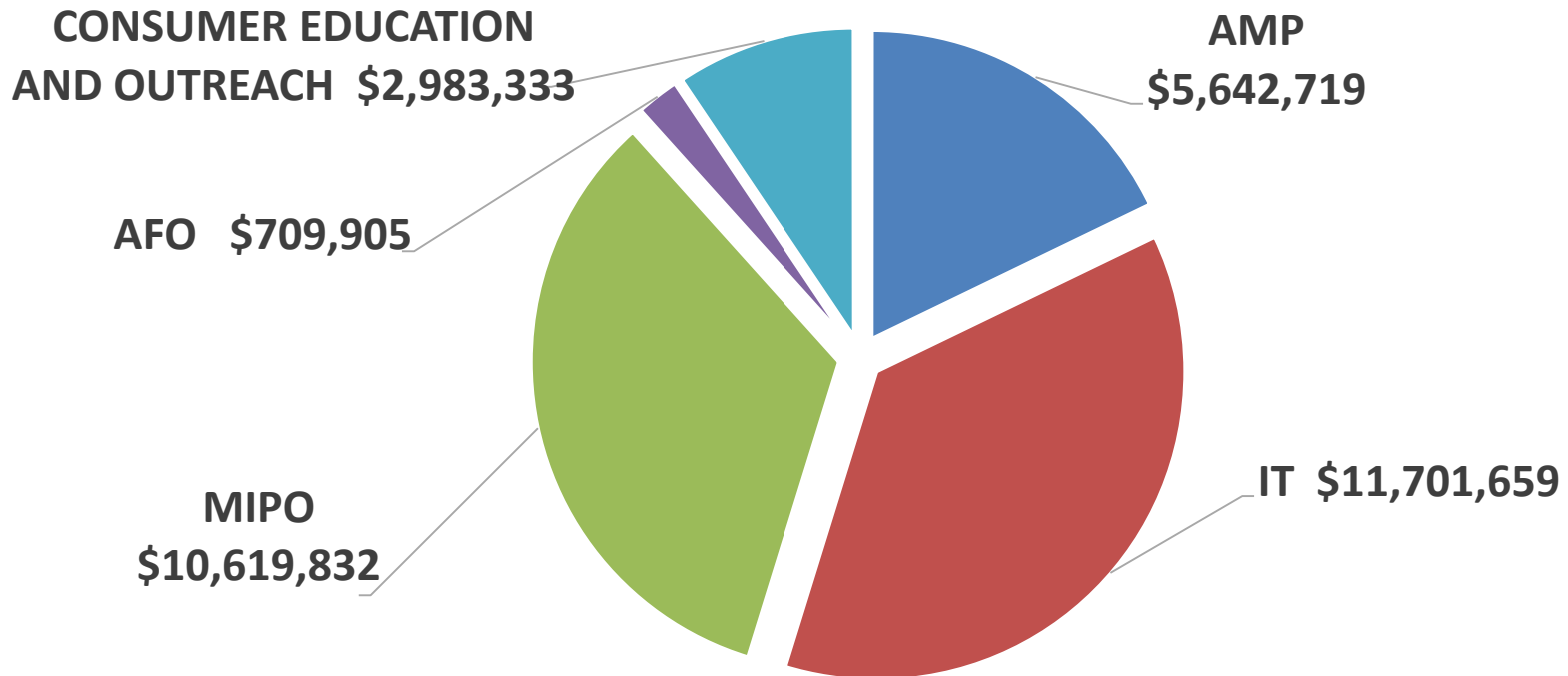
SUMMARY PROPOSED FY20 BUDGET

	FY20 PROPOSED BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,619,832	47
CONSUMER EDUCATION AND OUTREACH	\$2,983,333	5
IT (DCHealthLink.com)	\$11,701,659	28
AGENCY MANAGEMENT PROGRAM	\$5,642,719	18
AGENCY FINANCIAL OPERATIONS	\$709,905	3
TOTAL BUDGET	\$31,657,448 *	101

***FY20 BUDGET FOR ASSESSMENT: \$29,503,020**



FY20 BUDGET BY PROGRAM



FY20 ASSESSMENT BASED BUDGET IS \$29,503,020



FY20 FTEs BY PROGRAM AREA

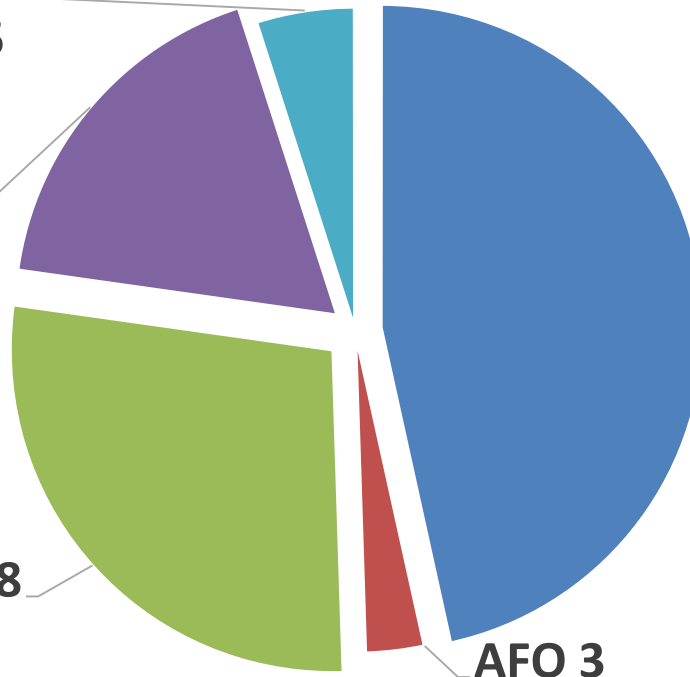
**CONSUMER EDUCATION
AND OUTREACH 5**

AMP 18

IT 28

AFO 3

MIPO 47





HBX PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BASED BUDGET

FY20 Staff Proposed Budget	31,657,448
Less:	
5 FTEs Budgeted for MA Health Connector	(452,170)
Est Admin Fees Budgeted for MA Health Connector	(250,000)
Est Contact Center Costs Budgeted for MA Health Connector	(26,000)
DHCF Cost Allocation for Language Line	(76,238)
DHCF Share of Contact Center Rent	(614,751)
DHCF Share of L'Enfant IT Space Rent	(657,269)
Interest and Other Fees	(78,000)
Net FY20 Budget for Assessment Calculation	\$29,503,020



FY20 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY20 Budget
Personnel - 5 FTEs	452,170
Admin Fees Collected	250,000
Premium Aggregation*	364,000
Contact Center	26,000
Total	\$1,092,170

* SAVINGS ALREADY REFLECTED IN FY20 PROPOSED BUDGET



MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

PROPOSED FY20 BUDGET = \$10,619,832

(FY19 BUDGET = \$10,167,103)

- FY20 PERSONNEL SERVICES BUDGET FOR 47 FTEs (including Overtime) = \$5,733,947
- NON-PERSONNEL SERVICES = \$4,885,885

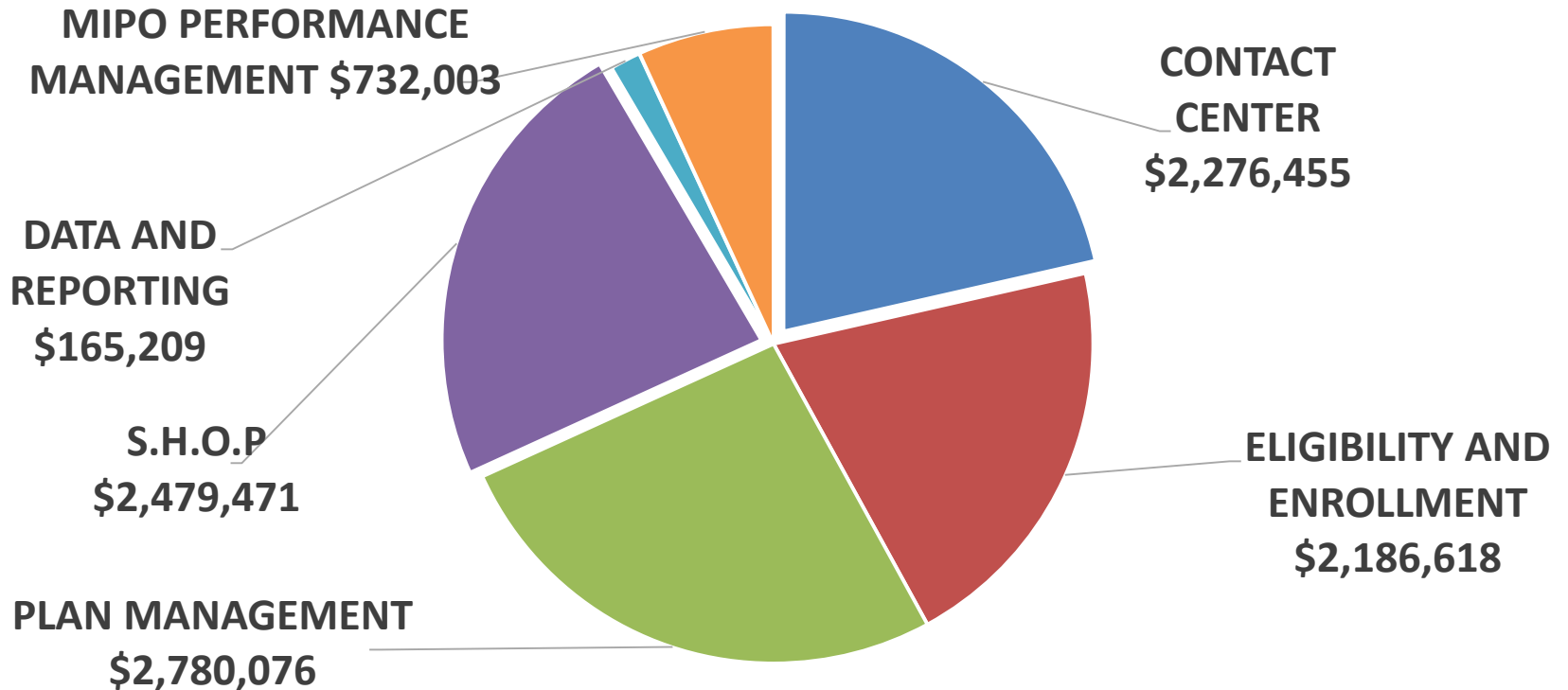


MIPO BUDGET BY FUNCTION AREAS

- CONTACT CENTER: \$2,276,455
- ELIGIBILITY AND ENROLLMENT: \$2,186,618
- PLAN MANAGEMENT: \$2,780,076
- S.H.O.P.: \$2,479,471
- DATA AND REPORTING: \$165,209
- MIPO PERFORMANCE MANAGEMENT(SOFTWARE, SUPPLIES AND TRAINING): \$732,003



MIPO BUDGET BY FUNCTION AREAS





MIPO: CONTACT CENTER **(ASSUMES 74/26 COST ALLOCATION W/MEDICAID)**

CONTACT CENTER FY20 BUDGET = \$2,276,455

- CONTACT CENTER SERVICE CONTRACT: \$1,300,000
- CALL CENTER SALESFORCE LICENSES: \$32,000
- ADMIN: \$10,686
- RENT: \$830,744 (L'ENFANT PLAZA)* (Awaiting Final Estimate from DGS)
- LANGUAGE LINE: \$103,025*

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



MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)

PROPOSED FY20 BUDGET = \$2,186,618

- **PERSONNEL SERVICES BUDGET = \$1,440,118**
 - Includes member services staff
- **NON-PERSONNEL SERVICES = \$746,500**
 - MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$15,000
 - MOA WITH OFFICE OF DISABILITY RIGHTS FOR SIGN LANGUAGE INTERPRETATION: \$1,500
 - NOTICE PRINTING/MAILING: \$330,000
 - AMHARIC/SPANISH TRANSLATION OF NOTICES: \$150,000
 - CONSULTING SERVICES: \$250,000



MIPO: PLAN MANAGEMENT

PLAN MANAGEMENT PROPOSED FY20 BUDGET = \$2,780,076

- PERSONNEL SERVICES BUDGET = \$1,830,076
- NON-PERSONNEL SERVICES = \$950,000
 - ACTUARIAL SERVICES: \$250,000
 - DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$700,000



MIPO: SMALL BUSINESS MARKETPLACE

SHOP PROPOSED FY20 BUDGET = \$2,479,471

- PERSONNEL SERVICES BUDGET = \$1,729,471
- NON-PERSONNEL SERVICES = \$750,000:
 - PREMIUM AGGREGATION: \$500,000*
 - CONSULTING SERVICES: \$250,000

***REFLECTS SAVINGS OF \$364,000 FROM MA HEALTH CONNECTOR PARTNERSHIP**



MIPO: DATA AND REPORTING

DATA AND REPORTING PROPOSED FY20 BUDGET = \$165,209

- PERSONNEL SERVICES BUDGET = \$161,669
- NON PERSONNEL SERVICES = \$3,540
 - INTERNAL SURVEY TOOL SOFTWARE: \$3,540



MIPO: PERFORMANCE MANAGEMENT

- **MIPO PERFORMANCE MANAGEMENT PROPOSED
FY20 BUDGET: \$732,003**
 - **PERSONNEL SERVICES: \$527,613**
 - **OVERTIME: \$45,000**
 - **NON PERSONNEL SERVICES (INCLUDING COMPUTER
REFRESH, SUPPLIES, TRAINING, NAHU, ETC.): \$144,390**
 - **EMMA EMAIL TOOL: \$15,000**



CONSUMER EDUCATION AND OUTREACH

CONSUMER EDUCATION AND OUTREACH PROPOSED FY20
BUDGET = \$2,983,333 (FY19 BUDGET = \$2,979,574)

- PERSONNEL SERVICES FOR 5 FTEs = \$740,333
- NON-PERSONNEL SERVICES = \$2,243,000:
 - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$950,000
 - OUTREACH AND MARKETING: \$1,090,000
 - HEALTH INSURANCE LITERACY CAMPAIGN: \$125,000
 - DATA RESOURCES: \$68,000
 - ADMIN COSTS: \$10,000



IT (DCHealthLink.com)

IT PROPOSED FY20 BUDGET = \$11,701,659 (FY19 BUDGET = \$11,675,858)

- PERSONNEL SERVICES FOR 28 FTEs = \$3,858,785 (CONVERSION OF IT CONSULTANTS TO FTEs)
- NON-PERSONNEL SERVICES BUDGET = \$7,842,874
 - IT CONSULTANTS: \$5,954,240
 - SOFTWARE COSTS: \$664,025
 - SALESFORCE LICENSE: \$163,970
 - WE WORKED LICENSE: \$4,800
 - EXPLAINER ANIMATION VIDEOS: \$20,000
 - OCTO IT ASSESSMENT: \$110,000
 - ADMIN COSTS: \$49,480
 - FIXED COST (RENT & SUPPLEMENTAL HVAC): \$876,359 (Awaiting Final Estimate from DGS)



AGENCY MANAGEMENT PROGRAM (AMP)

AMP PROPOSED FY20 BUDGET = \$5,642,719 (FY19 BUDGET = \$5,616,754)

- PERSONNEL SERVICES FOR 18 FTEs = \$3,343,632
- NON-PERSONNEL SERVICES BUDGET = \$2,299,087
 - FIXED COST: \$1,717,087 (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC)
 - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$150,000
 - MOA WITH DISB FOR ASSESSMENT SERVICES: \$85,000
 - MOA WITH CONTRACT APPEALS BOARD: \$25,000
 - LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$88,500
 - EMPLOYEE TRAINING: \$45,000
 - MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$28,000
 - ADMIN COSTS : \$160,500 (COMPUTERS, TRAVEL, OFFICE SUPPLIES, BOARD EXPENSES, ETC.)



AGENCY FINANCIAL OPERATIONS (AFO)

AFO PROPOSED FY20 BUDGET = \$709,905 (FY19 BUDGET = \$704,308)

- PERSONNEL SERVICES FOR 3 FTEs = \$549,905
- NON-PERSONNEL SERVICES = \$160,000
 - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
 - ADMIN: \$10,000



HIGHLIGHTS OF CHANGES

FY20 Budget = \$31,657,448 (\$513,851 increase from FY19)

- \$438,180 increase to account for total rent payment before reimbursement from DHCF
- \$80,000 increase for translation of notices
- \$200,000 increase for Contact Center contract
- (\$100,000) decrease in MOA with DHS (ESA)
- (\$190,000) decrease in Consumer Checkbook
- **\$29,503,020 PROPOSED ASSESSMENT BASED BUDGET**
- Funded through an assessment on health carriers (.90%)



ACA is Working in DC

- 96%+ of District residents covered
- Uninsured rate cut in half
- DC ranks #2 for lowest uninsured rate
- DC ranks #2 for lowest health insurance premiums for individuals

DC Health Link private health insurance enrollment: 77,600+ people (SHOP); 16,000+ residents (individual marketplace)

- 4,960 District small businesses covered through SHOP
- 800 brokers
- 152 health plans (3 United Health Companies; 2 Aetna; Kaiser Permanente, and CareFirst) – SHOP
- 25 health plans (Kaiser and Care First) – individual



Recent Awards and Recognition

- 2018 PR News Healthcare Communications Winner in two categories: Best Community Relations and Best Event Marketing Campaign
- AWS 2016 and 2018 Winner “Best Practices in Innovation”
- AWS chose HBX for an IT (cloud solutions) case study (<https://aws.amazon.com/solutions/case-studies/DC-HBX/>) Fall 2017
- Ranked #1 (SBMs and FFM) for consumer shopping tools by Clear Choices January 2017
- First in the nation state-based marketplace partnership. Selected by the Massachusetts Health Connector to provide IT SHOP solution and on-going operations for the MA SHOP. (Feb 2017)