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DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

DRAFT HBX Staff Proposed Budget FY23

HBX Executive Board

November 10, 2021



STAFF PROPOSED BUDGET FY23

- 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
 - **\$1,574,544 savings with MA partnership**
- FY23 PROPOSED BUDGET **\$35,705,344** with a **\$34,348,344** PROPOSED BUDGET FOR ASSESSMENT
 - Increase reflects contact center cost changes.
 - HBX found ways to mitigate some of the increased cost of contact center by renegotiating vendor contract and reducing NPS expenses.
- **Funded through an assessment on health carriers (.90% is back to “normal” recognizing greater efficiencies we were able to achieve to offset increased cost from cost-allocation ending and being responsible for 100% cost of contact center)**



Actions to offset increase in cost of contact center:

Background

For FY23 contact center structure is changing. DC Health Link Contact Center will focus on private health insurance and lower premiums inquiries. A call center run by DHCF will focus on Medicaid and other public programs. In FY23 HBX is responsible for 100% of DC Health Link contact center. At current pricing total cost is **\$6.3+ million.**

HBX actions to reduce cost:

- ✓ Successfully negotiated with vendor to reduce cost.
- ✓ Will have a 100% virtual contact center. This saves **\$921,638** in rent and other expenses related to maintaining a physical contact center.
- ✓ Total proposed contact center budget for FY23 is approximately **\$4.3 million.**



Other actions to offset increase in cost of contact center

REDUCTIONS IN NPS:

- ✓ Reduced proposed budget based on actuals for FY21.
- ✓ Reduced physical space and associated expenses by providing additional telework flexibility. Additional telework flexibility is also necessary for retention and recruitment.



COMPARISON: FY22 & FY23

	FY22 APPROVED BUDGET	FY23 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$11,728,422	\$13,325,626	\$1,597,204	13.62%
CONSUMER EDUCATION AND OUTREACH	\$2,995,799	\$3,231,706	\$235,907	7.87%
IT (DCHealthLink.com)	\$11,534,130	\$12,367,307	\$833,177	7.22%
AGENCY MANAGEMENT PROGRAM	\$5,810,791	\$5,974,210	\$163,419	2.81%
AGENCY FINANCIAL OPERATIONS	\$772,837	\$806,495	\$33,658	4.36%
TOTAL BUDGET	\$32,841,979	\$35,705,344*	\$2,863,366	8.72%

*FY23 BUDGET FOR ASSESSMENT: \$34,348,344



BUDGET COMPARISON: FY22 & FY23 FTEs

	FY23 PROPOSED FTE*
MARKETPLACE INNOVATION, POLICY AND OPERATIONS (Marketplace Operations)	54.0
CONSUMER EDUCATION AND OUTREACH	7.0
IT (DCHealthLink.com)	34.0
AGENCY MANAGEMENT PROGRAM	19.0
AGENCY FINANCIAL OPERATIONS	3.0
TOTAL FTE	117.0**

***6.0 FTEs FUNDED THROUGH PARTNERSHIP WITH MASSACHUSETTS HEALTH CONNECTOR**

****In October 2021, HBX requested 8 FTEs for FY22 in addition to FY22 approved FTEs for a total of 117. Additional FTEs were approved for FY22.**



HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY23 Staff Proposed Budget	\$35,705,344
Less:	
6.0 FTEs Budgeted for MA Health Connector	(800,000)
Admin Fees Budgeted for MA Health Connector	(237,000)
Contact Center Costs Budgeted for MA Health Connector	(180,000)
Mailing and Postage Fees Budgeted for MA Health Connector	(40,000)
FY23 Investment and Interest Earnings	(100,000)
Net FY23 Budget for Assessment Calculation	\$34,348,344



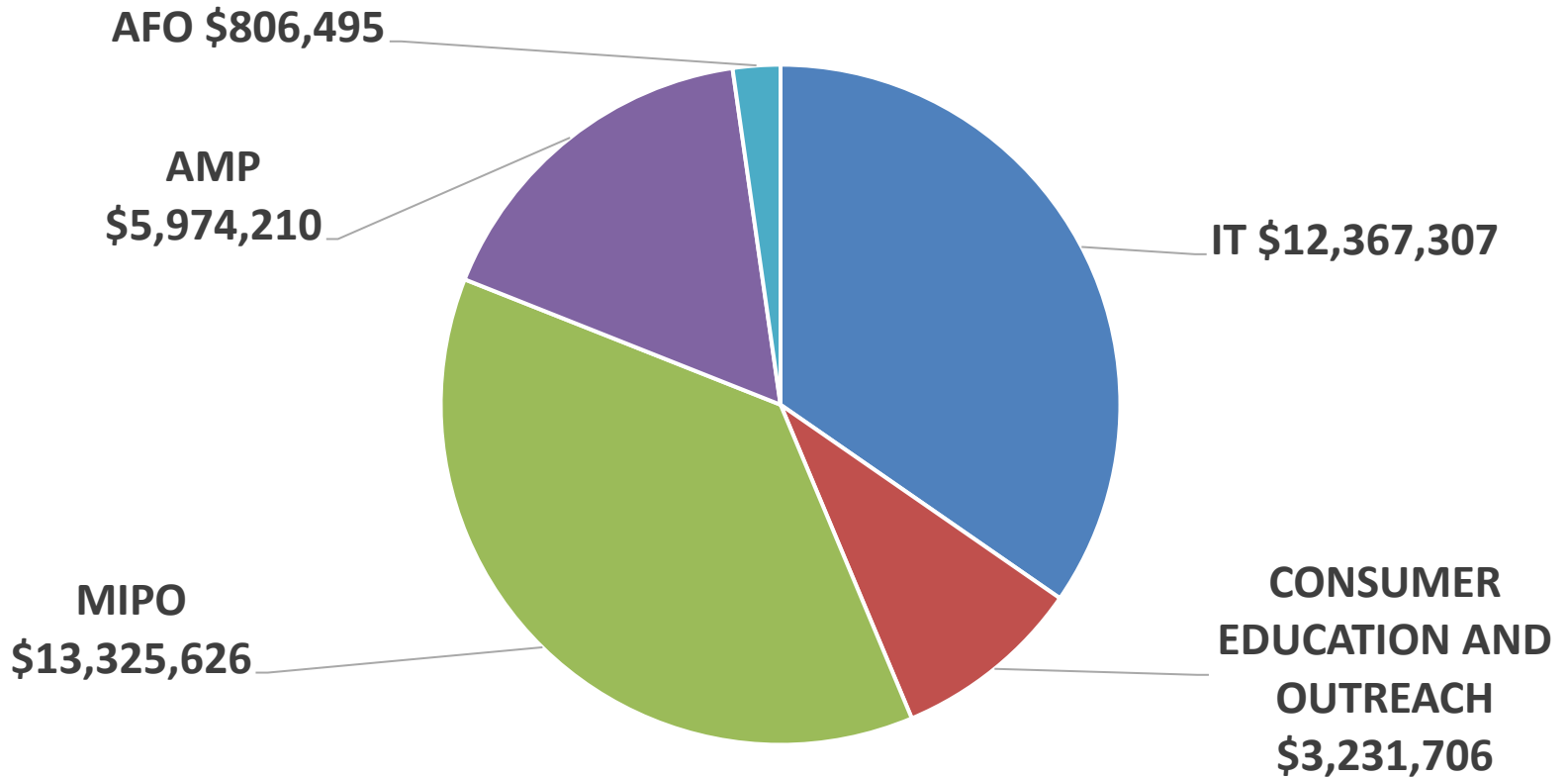
FY23 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY23 Budget
Personnel – 6.0 FTEs	800,000
Admin Fees	237,000
Premium Aggregation*	317,544
Contact Center Fees	180,000
Mailing and Postage	40,000
Total	\$1,574,544

* SAVINGS ALREADY REFLECTED IN FY23 PROPOSED BUDGET



STAFF PROPOSED FY23 BUDGET BY PROGRAM



FY23 BUDGET FOR ASSESSMENT: \$34,348,344



SUMMARY STAFF PROPOSED FY23 BUDGET

	BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$13,325,626	54.0
CONSUMER EDUCATION AND OUTREACH	\$3,231,706	7.0
IT (DCHealthLink.com)	\$12,367,307	34.0
AGENCY MANAGEMENT PROGRAM	\$5,974,210	19.0
AGENCY FINANCIAL OPERATIONS	\$806,495	3.0
TOTAL BUDGET	\$35,705,344*	117.0

***FY23 BUDGET FOR ASSESSMENT: \$34,348,344**



MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

**PROPOSED FY23 BUDGET: \$13,325,626
(FY22 BUDGET \$11,728,422)**

- **FY23 PERSONNEL SERVICES BUDGET FOR 54 FTEs:
\$6,726,701**
- **NON-PERSONNEL SERVICES (NPS): \$6,598,925**



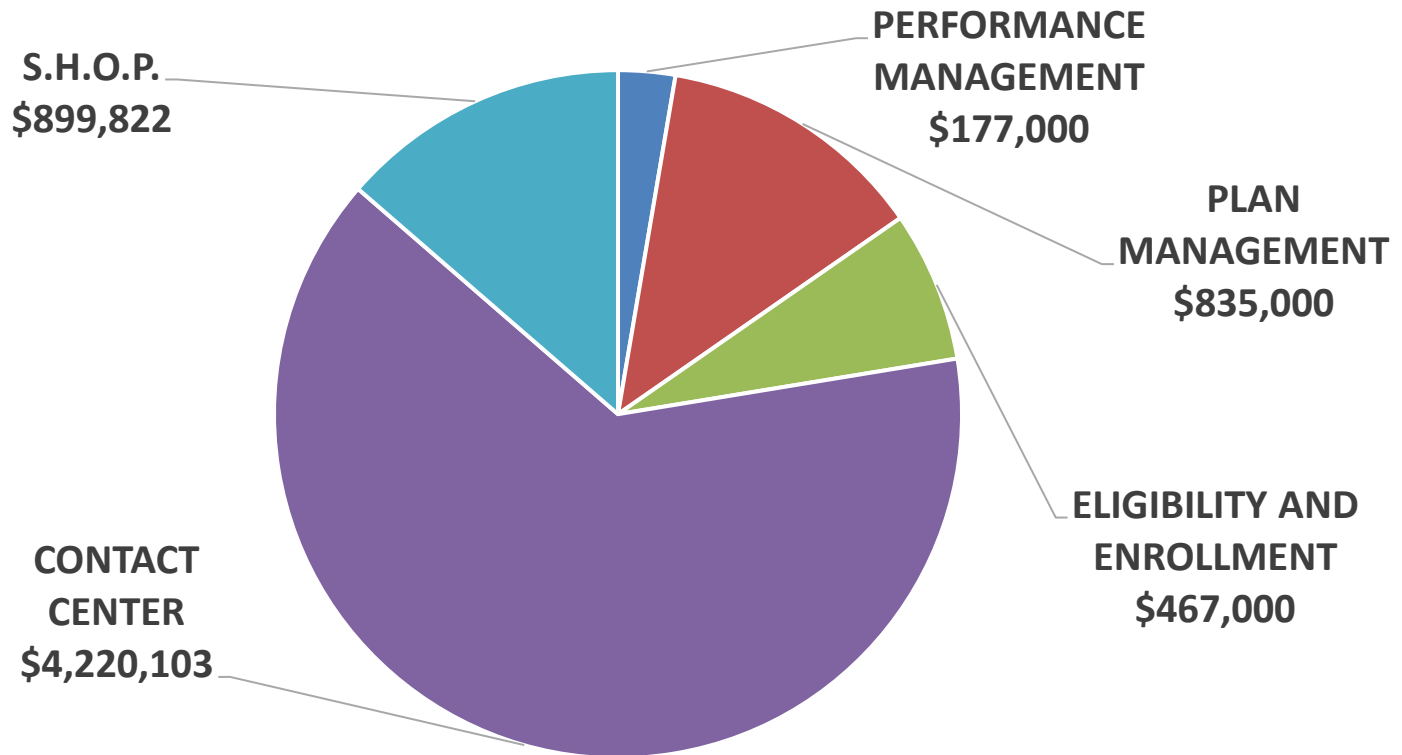
MIPO NPS BUDGET BY FUNCTION AREAS

MIPO PROPOSED NPS FY23 BUDGET: \$6,598,925

- CONTACT CENTER: \$4,220,103
- PLAN MANAGEMENT: \$835,000
- ELIGIBILITY AND ENROLLMENT: \$467,000
- S.H.O.P.: \$899,822
- PERFORMANCE MANAGEMENT (SOFTWARE, SUPPLIES, COMPUTER REFRESH, EMMA EMAIL TOOL, INTERNAL SURVEYS SOFTWARE, AND EMPLOYEE TRAINING): \$177,000



MIPO NPS BUDGET BY FUNCTION AREAS





MIPO: CONTACT CENTER

(NOTE: FY23 NO COST ALLOCATION WITH MEDICAID)

**CONTACT CENTER PROPOSED NPS FY23 BUDGET: \$4,220,103
(FY22 COST ALLOCATED BUDGET \$3,332,546 HBX SHARE)**

- CONTACT CENTER SERVICE CONTRACT: \$3,871,341 (REDUCED PRICE ACHIEVED THROUGH NEGOTIATIONS WITH VENDOR)
- SALESFORCE LICENSES INCLUDING DEVELOPMENT AND MAINTENANCE: \$239,662
- MICROSOFT 365 LICENSES: \$15,000
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH, SUPPLIES): \$31,700
- LANGUAGE LINE: \$62,400



MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)

ELIGIBILITY AND ENROLLMENT PROPOSED NPS FY23 BUDGET: \$467,000 (FY22 BUDGET: \$512,000)

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$10,000
- NOTICE PRINTING/MAILING: \$180,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000
- CONSULTING SERVICES: \$250,000



MIPO: PLAN MANAGEMENT

**PLAN MANAGEMENT PROPOSED NPS FY23 BUDGET:
\$835,000 (FY22 BUDGET: \$845,000)**

- ACTUARIAL SERVICES: \$175,000
- DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$660,000 (negotiated lower price)



MIPO: SMALL BUSINESS MARKETPLACE

**S.H.O.P. PROPOSED NPS FY23 BUDGET: \$899,822
(FY22 BUDGET: \$873,000)**

- PREMIUM AGGREGATION: \$504,822*
- CONSULTING SERVICES: \$250,000
- MAILING AND POSTAGE: \$120,000**
- TRANSLATION: \$25,000

**REFLECTS SAVINGS OF \$317,544 FROM MA HEALTH CONNECTOR PARTNERSHIP*

***INCLUDES \$40,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*



MIPO: PERFORMANCE MANAGEMENT

PERFORMANCE MANAGEMENT PROPOSED NPS FY23 BUDGET: \$177,000 (FY22 BUDGET: \$151,500)

- EMMA EMAIL TOOL: \$35,000
- NAHU: \$25,000
- TRAINING: \$55,000
- COMPUTER REFRESH: \$50,000
- INTERNAL SURVEY SOFTWARE: \$500
- ADMIN: \$11,500 (SUPPLIES, POSTAGE, SHREDDING)



CONSUMER EDUCATION AND OUTREACH

CONSUMER EDUCATION AND OUTREACH PROPOSED FY23 BUDGET: \$3,231,706 (FY22 BUDGET \$2,995,799)

- PERSONNEL SERVICES FOR 7 FTEs: \$1,017,656
- NON-PERSONNEL SERVICES: \$2,214,050
 - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,000,000 (same as FY22)
 - OUTREACH AND MARKETING: \$1,092,050
 - HEALTH INSURANCE LITERACY CAMPAIGN: \$90,000
 - DATA RESOURCES: \$25,000
 - ADMIN: \$7,000



IT (DCHealthLink.com)

IT PROPOSED FY23 BUDGET: \$12,367,307 (FY22 BUDGET \$11,534,130)

- PERSONNEL SERVICES FOR 34 FTEs: \$5,246,120
- NON-PERSONNEL SERVICES BUDGET: \$7,121,187 (FY22 BUDGET \$6,678,361)
 - IT CONSULTANTS: \$5,025,549
 - SOFTWARE: \$1,401,980
 - EXTRA CARE (additional resources post deployments for quicker ticket resolution): \$500,000
 - MICROSOFT 365 LICENSES: \$35,000
 - OCTO: \$107,658
 - ADMIN: \$51,000 (COMPUTER REFRESH, COPIER, SUPPLIES, TRAINING)



AGENCY MANAGEMENT PROGRAM (AMP)

AMP PROPOSED FY23 BUDGET: \$5,974,210 (FY22 BUDGET \$5,810,791)

- **PERSONNEL SERVICES FOR 19 FTEs: \$3,555,230**
- **NON-PERSONNEL SERVICES BUDGET: \$2,418,980**
 - FIXED COST (INCLUDES RENT & TELEPHONE): \$1,827,383
 - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$107,250
 - MOA WITH DCHR FOR CAPITAL CITY FELLOWS: \$83,522
 - MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000
 - MOA WITH CONTRACT APPEALS BOARD: \$1,000
 - MOA WITH DSLBD: \$225
 - LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$43,500
 - EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE INITIATIVE TRAINING): \$150,000
 - MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$24,000
 - CONSULTING SERVICES: \$3,600
 - ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$128,500



AGENCY FINANCIAL OPERATIONS (AFO)

AFO PROPOSED FY23 BUDGET: \$806,495 (FY22 BUDGET \$772,837)

- **PERSONNEL SERVICES FOR 3 FTEs: \$642,495**
- **NON-PERSONNEL SERVICES: \$164,000**
 - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
 - EMPLOYEE TRAINING AND TRAVEL: \$7,000
 - ADMIN (COMPUTER REFRESH, SUPPLIES): \$7,000



DC Health Link: ACA State-Based Online Health Insurance Marketplace

- DCHBX: Private-public partnership (private Executive Board) responsible for DC Health Link – DC’s Affordable Care Act online health insurance marketplace
- Last state to start IT build, **1 of 4 state marketplaces opened for business on time** (& stayed open) Oct 1, 2013
- **100,000 people** (private health insurance): 80,000+ people with job-based coverage (5,200+ District small businesses covered; 11,000 Congress -- Members and designated staff in district offices and on the Hill) paying over \$520 million annually in premiums (invoiced and collected by DCHBX and paid to 3 United Healthcare insurers, 2 Aetna insurers, Kaiser Permanente, and CareFirst Blue Cross Blue Shield); 15,000 to 20,000 residents with individual coverage paying over \$100 million annually in premiums
- **Cut uninsured rate in half** since DC Health Link opened for business. Near universal coverage with more than 96% of DC residents covered
 - ✓ DC ranks **#2** in U.S. for lowest uninsured
- **2022 plan year: 156 small group health plans (36 have lower premiums than in 2021) and 27 individual and family health plans (6 have lower premiums than in 2021)**



DC Health Link Awards and Recognition

- ✓ **Won 2019 Sustainability and Equity Award:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications:** <https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **Won 2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Ranked #1 for consumer decision support tools (ranking of SBMs and FFM) in 2018 and 2017 (no report in 2019 and 2020)**
- ✓ **Five PR News Awards in 2018 and 2019**
- ✓ **2017 AWS IT case study on cloud solutions:** <https://aws.amazon.com/solutions/case-studies/DC-HBX/>
- ✓ **First in the nation SBM partnership:** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)