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# DC Health Benefit Exchange Authority

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**DRAFT HBX Staff Proposed Budget FY24**

**Draft Nov 1, 2022**



## STAFF PROPOSED BUDGET FY24

- 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
  - **\$1,646,544 savings with MA partnership**
- FY24 PROPOSED BUDGET **\$37,552,147** with a **\$36,123,147** PROPOSED BUDGET FOR ASSESSMENT
  - Personnel costs increased. HBX found ways to mitigate some of the increased cost by reducing NPS expenses, e.g. reducing physical space and associated expenses.
- Funded through an assessment on health carriers (projected assessment 0.82% is a slight increase from 0.80% in FY23).



## COMPARISON: FY23 & FY24

	<b>FY23 APPROVED BUDGET</b>	<b>FY24 PROPOSED BUDGET</b>	<b>\$ CHANGE</b>	<b>% CHANGE</b>
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$13,325,626	\$13,768,917	\$443,292	3.33%
CONSUMER EDUCATION AND OUTREACH	\$3,231,706	\$3,363,705	\$131,999	4.08%
IT (DCHealthLink.com)	\$12,346,018	\$13,225,400	\$879,381	7.12%
AGENCY MANAGEMENT PROGRAM	\$5,974,210	\$6,365,078	\$390,868	6.54%
AGENCY FINANCIAL OPERATIONS	\$806,495	\$829,047	\$22,552	2.80%
<b>TOTAL BUDGET</b>	<b>\$35,684,055</b>	<b>\$37,552,147</b>	<b>\$1,868,092</b>	<b>5.24%</b>

**\*FY24 BUDGET FOR ASSESSMENT: \$36,123,147**



# HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

<b>FY24 Proposed Budget</b>	<b>\$37,552,147</b>
<b>Less:</b>	
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)
Cloud Security for MA Health Connector	(72,000)
FY24 Investment and Interest Earnings	(100,000)
<b>Net FY24 Budget for Assessment Calculation</b>	<b>\$36,123,147</b>



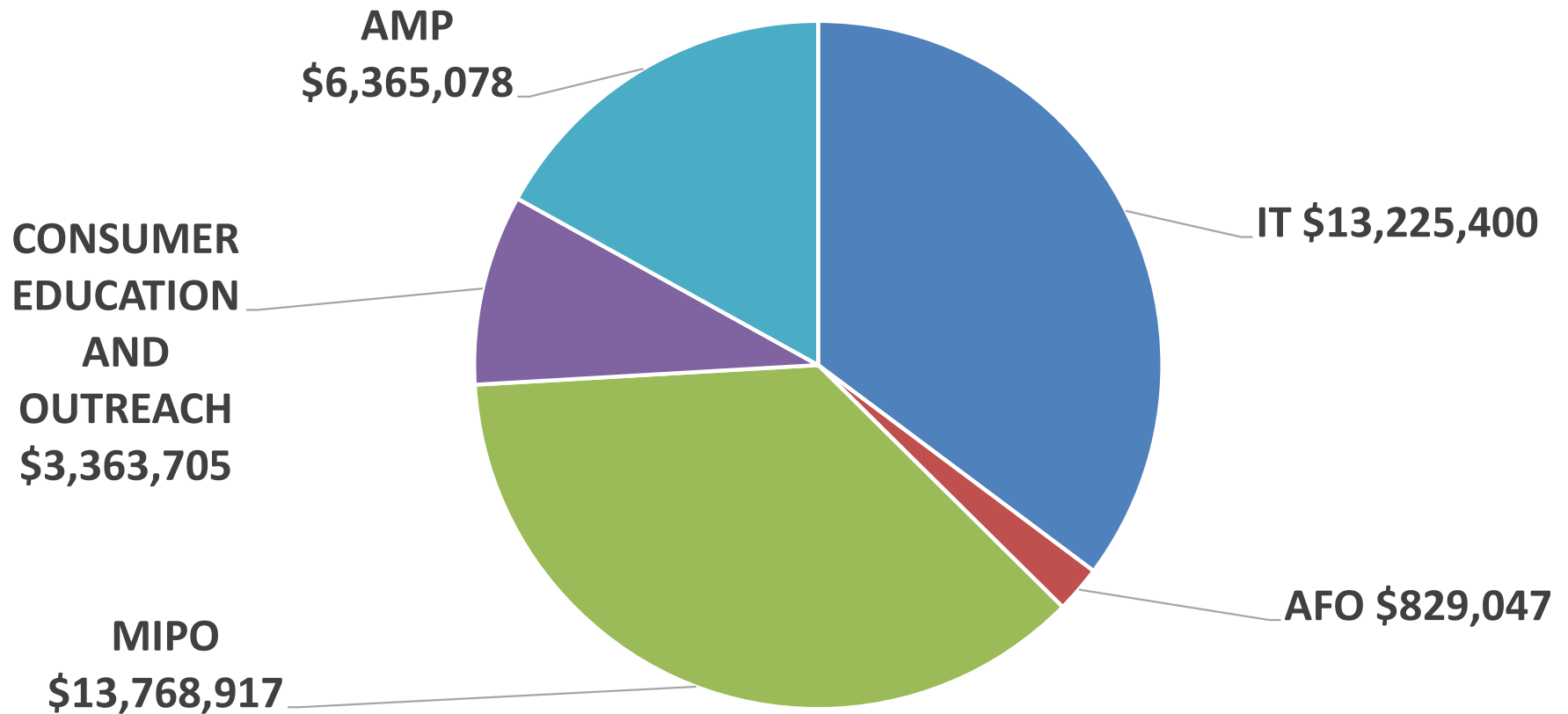
## FY24 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY24 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
Cloud Security	72,000
<b>Total</b>	<b>\$1,646,544</b>

\* SAVINGS ALREADY REFLECTED IN FY24 PROPOSED BUDGET



## STAFF PROPOSED FY24 BUDGET BY PROGRAM



**FY24 BUDGET FOR ASSESSMENT: \$36,123,147**



## SUMMARY STAFF PROPOSED FY24 BUDGET

	BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$13,768,917	57.0
CONSUMER EDUCATION AND OUTREACH	\$3,363,705	7.0
IT (DCHealthLink.com)	\$13,225,399	35.0
AGENCY MANAGEMENT PROGRAM	\$6,365,078	21.0
AGENCY FINANCIAL OPERATIONS	\$829,047	3.0
<b>TOTAL BUDGET</b>	<b>\$37,552,147*</b>	<b>123.0**</b>

\*FY24 BUDGET FOR ASSESSMENT: \$36,123,147

\*\*6 FTEs funded through partnership with MA Health Connector



## **MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)**

**PROPOSED FY24 BUDGET: \$13,768,917  
(FY23: BUDGET \$13,325,626)**

- **FY24 PERSONNEL SERVICES BUDGET FOR 57.0 FTEs:  
\$7,476,954**
- **NON-PERSONNEL SERVICES (NPS): \$6,291,963**





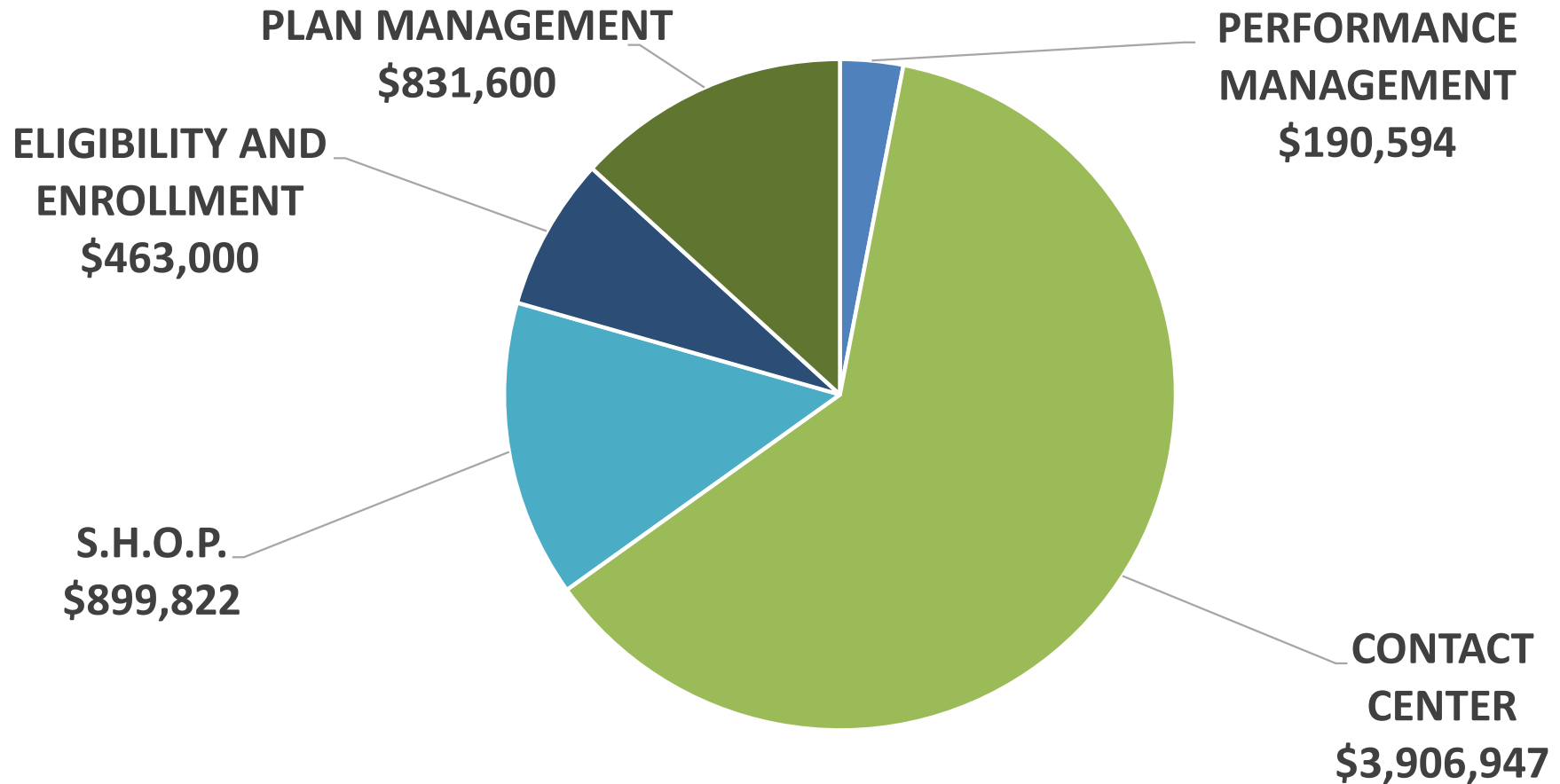
## **MIPO NPS BUDGET BY FUNCTION AREAS**

### **MIPO PROPOSED NPS FY24 BUDGET: \$6,291,963**

- CONTACT CENTER: \$3,906,947
- PLAN MANAGEMENT: \$831,600
- ELIGIBILITY AND ENROLLMENT: \$463,000
- S.H.O.P.: \$899,822
- PERFORMANCE MANAGEMENT (SOFTWARE, SUPPLIES, COMPUTER REFRESH, EMMA EMAIL TOOL, INTERNAL SURVEYS SOFTWARE, AND EMPLOYEE TRAINING): \$190,594



## MIPO NPS BUDGET BY FUNCTION AREAS





## **MIPO: CONTACT CENTER**

**PROPOSED NPS FY24 BUDGET: \$3,906,947  
(FY23 BUDGET: \$4,220,103)**

- CONTACT CENTER SERVICE CONTRACT: \$3,504,726 (REDUCED PRICE ACHIEVED THROUGH RFP & NEGOTIATIONS WITH VENDOR)
- SALESFORCE LICENSES : \$173,021
- MICROSOFT OFFICE 365 LICENSES: \$18,000
- TELEPHONE MAINTENANCE: \$84,000
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH, SUPPLIES): \$64,800
- LANGUAGE LINE: \$62,400



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

**PROPOSED NPS FY24 BUDGET: \$463,000  
(FY23 BUDGET: \$467,000)**

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$6,000
- NOTICE PRINTING/MAILING: \$180,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000
- CONSULTING SERVICES: \$250,000



## **MIPO: PLAN MANAGEMENT**

**PROPOSED NPS FY24 BUDGET: \$831,600  
(FY23 BUDGET: \$835,000)**

- ACTUARIAL SERVICES: \$175,000
- DOCTOR DIRECTORY, HEALTH PLAN MATCH,  
PRESCRIPTION DRUG FORMULARY LOOKUP TOOL,  
DENTAL PLAN MATCH: \$656,600 (negotiated lower price)



## **MIPO: SMALL BUSINESS MARKETPLACE (S.H.O.P.)**

**PROPOSED NPS FY24 BUDGET: \$899,822**  
**(FY23 BUDGET: \$899,822)**

- 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**

**PROPOSED NPS FY24 BUDGET: \$190,594**  
**(FY23 BUDGET: \$177,000)**

- EMMA EMAIL TOOL: \$35,000
- NAHU: \$25,000
- TRAINING: \$55,000
- COMPUTER REFRESH: \$65,594
- ADMIN: \$10,000 (SUPPLIES, POSTAGE, SHREDDING, INTERNAL SURVEY SOFTWARE)



## **CONSUMER EDUCATION AND OUTREACH**

**PROPOSED FY24 BUDGET: \$3,363,705  
(FY23 BUDGET \$3,231,706)**

- PERSONNEL SERVICES FOR 7 FTEs: \$1,098,856
- NON-PERSONNEL SERVICES: \$2,264,849
  - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,050,000 (increased over FY23)
  - OUTREACH AND MARKETING: \$1,092,050
  - HEALTH INSURANCE LITERACY CAMPAIGN: \$90,000
  - DATA RESOURCES: \$25,000
  - ADMIN: \$7,799





## **IT (DCHealthLink.com)**

**PROPOSED FY24 BUDGET: \$13,225,400  
(FY23 BUDGET: \$12,346,018)**

- PERSONNEL SERVICES FOR 35 FTEs: \$5,733,863
- NON-PERSONNEL SERVICES BUDGET: \$7,491,537 (FY23 BUDGET \$7,099,898)
  - IT CONSULTANTS: \$5,126,060
  - SOFTWARE: \$1,620,079
  - EXTRA CARE (additional resources post deployments for quicker ticket resolution): \$510,000
  - MICROSOFT OFFICE 365 LICENSES: \$35,000
  - OCTO: \$107,000
  - ADMIN: \$93,398 (COMPUTER REFRESH, COPIER, SUPPLIES, TRAINING)



## **AGENCY MANAGEMENT PROGRAM (AMP)**

**PROPOSED FY24 BUDGET: \$6,365,078  
(FY23 BUDGET \$5,974,210)**

- **PERSONNEL SERVICES FOR 21.0 FTEs: \$4,097,327**
- **NON-PERSONNEL SERVICES BUDGET: \$2,267,752**
  - FIXED COST (INCLUDES RENT & TELEPHONE): \$1,653,499
  - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$100,250
  - MOA WITH DCHR FOR CAPITAL CITY FELLOWS: \$83,522
  - MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000
  - MOA WITH CONTRACT APPEALS BOARD: \$5,000
  - MOA WITH DSLBD: \$700
  - LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$44,650
  - EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE INITIATIVE TRAINING): \$150,000
  - MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$30,000
  - CONSULTING SERVICES: \$20,000
  - ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$130,130



## **AGENCY FINANCIAL OPERATIONS (AFO)**

**PROPOSED FY24 BUDGET: \$829,047**  
**(FY23 BUDGET: \$806,495)**

- PERSONNEL SERVICES FOR 3 FTEs: \$663,514
- NON-PERSONNEL SERVICES: \$165,533
  - AUDITING SERVICES (INCLUDING ANNUAL COMPREHENSIVE FINANCIAL REPORT AND SMART AUDIT): \$150,000
  - EMPLOYEE TRAINING AND TRAVEL: \$7,000
  - ADMIN (COMPUTER REFRESH, SUPPLIES): \$8,533



## 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 (5,300+ 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
- **2023 plan year: 211 small group health plans and 27 individual and family health plans.**



## 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 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)