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DC Health Benefit Exchange Authority

Mila Kofman, Executive Director

HBX Staff Proposed Budget FY25

DRAFT November 6, 2023



STAFF PROPOSED BUDGET FY25

- 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
 - **\$1,666,704 savings with MA partnership**
- FY25 PROPOSED BUDGET **\$41,752,785** with a **\$38,411,128** PROPOSED BUDGET FOR ASSESSMENT
- Funded through an assessment on health carriers (**projected assessment 0.80% is decreased from 0.825% in FY24**).



COMPARISON: FY24 & FY25

	FY24 APPROVED BUDGET	FY25 PROPOSED BUDGET	\$ CHANGE	% CHANGE
AGENCY MANAGEMENT OPERATIONS	\$6,374,140	\$6,570,519	\$196,379	3.08%
CONSUMER EDUCATION AND OUTREACH	\$2,885,286	\$2,885,286	\$0.00	0.00%
PARTNERSHIPS AND MARKETPLACE OPERATIONS**	\$14,071,780	\$17,165,700	\$3,093,920	21.99%
HEALTH COVERAGE AND INNOVATION**			(\$2,249,770 <i>call center costs increase</i>)	
IT (DCHealthLink.com)	\$13,435,173	\$14,351,239	\$916,066	6.82%
AGENCY FINANCIAL OPERATIONS	\$785,768	\$780,041	(\$5,727)	-.73%
TOTAL BUDGET	\$37,552,147	\$41,752,785	\$4,200,638	11.19%

*FY25 BUDGET FOR ASSESSMENT: \$38,411,128

**FY24 PARTNERSHIPS AND MARKETPLACE OPERATIONS TOGETHER WITH HEALTH COVERAGE AND INNOVATION WERE IN MARKETPLACE INNOVATION, POLICY, AND OPERATIONS. FY25 APPROACH PROVIDES MORE TRANSPARENCY.



HBX STAFF PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY25 Proposed Budget	\$41,752,785
Less:	
6.0 FTEs Budgeted for MA Health Connector	(811,260)
Admin Fees Budgeted for MA Health Connector	(260,300)
Contact Center Costs Budgeted for MA Health Connector	(165,600)
Mailing and Postage Fees Budgeted for MA Health Connector	(40,000)
Cloud Security for MA Health Connector	(72,000)
FY23 Investment and Interest Earnings	(1,000,000)
FY24 Estimated Investment and Interest Earnings	(500,000)
3.0 FTEs Budgeted for HC4CC*	(492,497)
Net FY25 Budget for Assessment Calculation	\$38,411,128

*Projected to be funded through an MOU with OSSE



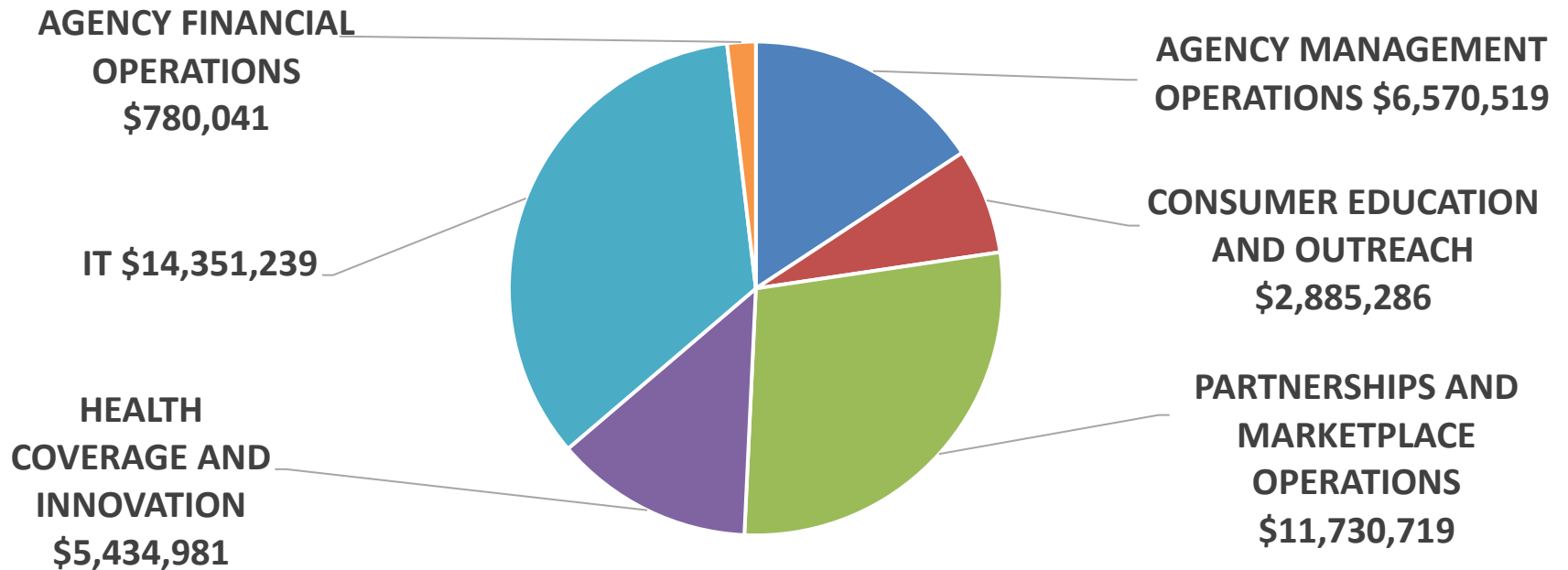
FY25 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY25 Budget
Personnel – 6.0 FTEs	811,260
Admin Fees	260,300
Premium Aggregation*	317,544
Contact Center Fees	165,600
Mailing and Postage	40,000
Cloud Security	72,000
Total	\$1,666,704

* SAVINGS ALREADY REFLECTED IN FY25 PROPOSED BUDGET



STAFF PROPOSED FY25 BUDGET BY PROGRAM



FY25 BUDGET FOR ASSESSMENT: \$38,411,128



SUMMARY STAFF PROPOSED FY25 BUDGET

	BUDGET	FTEs
AGENCY MANAGEMENT OPERATIONS	\$6,570,519	20.75
CONSUMER EDUCATION AND OUTREACH	\$2,885,286	4.0
PARTNERSHIPS AND MARKETPLACE OPERATIONS	\$11,730,719	35.8
HEALTH COVERAGE AND INNOVATION	\$5,434,981	27.45
IT (DCHealthLink.com)	\$14,351,239	37.0
AGENCY FINANCIAL OPERATIONS	\$780,041	3.0
TOTAL BUDGET	\$41,752,785	128.0**

***FY25 BUDGET FOR ASSESSMENT: \$38,411,128**

****6 FTEs funded through partnership with MA Health Connector, 3 FTEs for HC4CC projected to be funded by an MOU with OSSE**



PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO)

PROPOSED FY25 BUDGET: \$11,730,719

FY25 PERSONNEL SERVICES BUDGET FOR 35.8 FTEs: \$4,677,498

NON-PERSONNEL SERVICES (NPS): \$7,053,221:

- CONTACT CENTER: \$5,233,209 (cost allocated share only)
- PLAN MANAGEMENT: \$726,750 (cost allocated share only)
- S.H.O.P.: \$924,622
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$168,640 (cost allocated share only)



HEALTH COVERAGE AND INNOVATION (HCI)

PROPOSED FY25 BUDGET: \$5,434,981

FY25 PERSONNEL SERVICES BUDGET FOR 27.45 FTEs: \$3,890,463
NON-PERSONNEL SERVICES (NPS): \$1,544,518:

- CONTACT CENTER: \$923,508 (cost allocated share only)
- PLAN MANAGEMENT: \$128,250 (cost allocated share only)
- ELIGIBILITY AND ENROLLMENT: \$463,000
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$29,760 (cost allocated share only)



CONTACT CENTER

(TOTAL COST BELOW IS ALLOCATED: 85% PMO AND 15% HCI)

PROPOSED NPS FY25 BUDGET: \$6,156,717
(FY24 BUDGET: \$3,906,947)

- CONTACT CENTER SERVICE CONTRACT: \$5,562,737 (FY24 \$3,504,726)
- SALESFORCE LICENSES : \$210,600 (FY24 \$173,021)
- SALESFORCE DEVELOPMENT AND MAINTENANCE: \$124,800
- MICROSOFT OFFICE 365 LICENSES: \$18,000
- AMAZON CONNECT (TELEPHONY): \$98,280 (FY24 \$84,000)
- TOLL FREE LINE: \$35,700
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH, SUPPLIES): \$52,000
- LANGUAGE LINE: \$54,600



PLAN MANAGEMENT

(TOTAL COST BELOW IS ALLOCATED: 85% PMO AND 15% HCI)

**PROPOSED NPS FY25 BUDGET: \$855,000
(FY24 BUDGET: \$831,600)**

- ACTUARIAL SERVICES: \$175,000
- DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$680,000* (FY24 \$656,600)

*includes new functionality for HealthCare4ChildCare



PERFORMANCE AND STRATEGIC MANAGEMENT (TOTAL COST BELOW IS ALLOCATED: 85% PMO AND 15% HCI)

**PROPOSED NPS FY25 BUDGET: \$198,400
(FY24 BUDGET: \$190,594)**

- INTERNAL SURVEY SOFTWARE: \$500
- BROKER TRAINING: \$25,000
- EMMA EMAIL TOOL: \$37,900
- ADMIN (POSTAGE, TRAINING, SUPPLIES AND EQUIPMENT): \$135,000



PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO): SMALL BUSINESS MARKETPLACE (S.H.O.P.)

**PROPOSED NPS FY25 BUDGET: \$924,622
(FY24 BUDGET: \$899,822)**

- PREMIUM AGGREGATION: \$504,822*
- CONSULTING SERVICES: \$250,000
- MAILING AND POSTAGE: \$124,800**
- TRANSLATION: \$25,000
- RETURNED MAIL SERVICE: \$20,000

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

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



HEALTH COVERAGE AND INNOVATION (HCI): ELIGIBILITY AND ENROLLMENT

**PROPOSED NPS FY25 BUDGET: \$463,000
(FY24 BUDGET: \$463,000)**

- 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



CONSUMER EDUCATION AND OUTREACH

PROPOSED FY25 BUDGET: \$2,885,286
(FY24 BUDGET \$2,885,286)

- PERSONNEL SERVICES FOR 4 FTEs: \$620,437
- NON-PERSONNEL SERVICES: \$2,264,849
 - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,050,000
 - OUTREACH AND MARKETING: \$1,092,050
 - HEALTH INSURANCE LITERACY: \$90,000
 - DATA RESOURCES: \$25,000
 - ADMIN (OFFICE SUPPLIES, COMPUTER REFRESH): \$7,799



IT (DCHealthLink.com)

PROPOSED FY25 BUDGET: \$14,351,239
(FY24 BUDGET: \$13,435,173)

- PERSONNEL SERVICES FOR 37 FTEs: \$6,140,820
- NON-PERSONNEL SERVICES BUDGET: \$8,210,419 (FY24 BUDGET \$7,491,537)
 - IT CONSULTANTS: \$5,661,789
 - SOFTWARE: \$1,744,372
 - EXTRA CARE: \$535,500
 - MICROSOFT OFFICE 365 LICENSES: \$45,000
 - OCTO: \$125,910
 - ADMIN (OFFICE SUPPLIES, TRAINING, PROFESSIONAL SERVICE, COMPUTER REFRESH): \$97,848



AGENCY MANAGEMENT PROGRAM (AMP)

PROPOSED FY25 BUDGET: \$6,570,519
(FY24 BUDGET \$6,374,140)

- **PERSONNEL SERVICES FOR 20.75 FTEs: \$4,260,036**
- **NON-PERSONNEL SERVICES BUDGET: \$2,310,483**
 - FIXED COST (INCLUDES RENT & TELEPHONE): \$1,672,160
 - MOA WITH DCHR FOR HR SUPPORT SERVICES AND SUITABILITY STUDIES: \$110,725
 - MOA WITH DCHR FOR CAPITAL CITY FELLOWS: \$80,198
 - 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): \$32,000
 - CONSULTING SERVICES: \$20,000
 - ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$145,050



AGENCY FINANCIAL OPERATIONS (AFO)

**PROPOSED FY25 BUDGET: \$780,041
(FY24 BUDGET: \$785,768)**

- PERSONNEL SERVICES FOR 3 FTEs: \$614,508
- 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); 15,000 to 20,000 residents with individual coverage
- **Responsible for over \$670 million** in annual premiums
- **Cut uninsured rate in half** since DC Health Link opened for business. Near universal coverage with more than 97% of DC residents covered
 - ✓ DC ranks **#2** in U.S. for lowest uninsured
- **2024 plan year: 188 small group health plans and 27 individual and family health plans.**
- **DC Health Link Standard Plans w/ Equity Based Design - \$0 for Type II Diabetes (doctor visits, foot & eye exam, RX including insulin, supplies, labs); \$5 for pediatric mental health (doctor visits, RX and related labs)**



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)