



DC Health Benefit Exchange Authority

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Staff-Proposed Budget FY27

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draft



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STAFF-PROPOSED BUDGET FY27

- Organized to Reflect Function Areas
- Includes new Basic Health Program (a.k.a. Healthy DC Plan)
- Efficiency: Continue to leverage DC gov't agencies, phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
- FY27 PROPOSED BUDGET **\$47,440,511** with a **\$43,430,875** PROPOSED BUDGET FOR ASSESSMENT
- Funded through an assessment on health carriers (**projected assessment is 0.85%**).



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BUDGET COMPARISON: FY26 & FY27

	FY26 APPROVED BUDGET	FY27 PROPOSED BUDGET	\$ CHANGE	% CHANGE
TOTAL PERSONNEL SERVICES	\$20,874,335	\$25,449,961	\$4,575,625**	21.92%
TOTAL NON- PERSONNEL SERVICES	\$20,760,135	\$21,990,550	\$1,230,416	5.93%
TOTAL	\$41,634,470	\$47,440,511*	\$5,796,041	13.95%

*FY27 BUDGET FOR ASSESSMENT: \$43,430,875

**Personnel for BHP and federal regulatory framework compliance.



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ANNUAL ASSESSMENT ON HEALTH CARRIERS

Fiscal Year Funded	Assessment Rate
FY27	0.85% (projected)
FY25, FY26	0.800%
FY24	0.825%
FY23	0.800%
FY22	0.825%
FY19, FY20, FY21	0.900%
FY15, FY16, FY17, FY18	1.000%



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HBX STAFF-PROPOSED BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY27 Proposed Budget	\$47,440,511
Less:	
8.0 FTEs for MA Health Connector	(975,000)
Admin Fees for MA Health Connector	(380,000)
Contact Center for MA Health Connector	(633,000)
Mailing & Postage for MA Health Connector	(45,000)
Cloud Hosting, IT Development, & Software Licenses for MA Health Connector	(356,636)
Investment and Interest Earnings	(1,620,000)
Net FY27 Budget for Assessment Calculation	\$43,430,875



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DRIVERS OF CHANGE

- New program called Basic Health Plan (Healthy DC Plan): \$3,229,849 for personnel (\$1,704,244) and non personnel (\$1,525,604). Actual cost is higher. We are using cost allocation to absorb non personnel cost among divisions. Also not reflecting total cost of personnel working on BHP. Those costs are absorbed by other divisions.
- Changes in Federal Law, including regulatory requirements and oversight applicable to ACA marketplaces. Budget includes additional personnel.



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FY27 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

Category	FY27 Budget
Personnel – 8.0 FTEs	975,000
Admin Fees	380,000
Premium Aggregation*	317,546
Contact Center	633,000
Mailing and Postage	45,000
Cloud Hosting, IT Development & Software Licenses	356,636
Total	\$2,707,182

* SAVINGS ALREADY REFLECTED IN FY27 PROPOSED BUDGET



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SUMMARY STAFF-PROPOSED FY27 BUDGET

AGENCY PROGRAM	BUDGET	FTEs
AGENCY MANAGEMENT OPERATIONS	\$7,316,997	23.25
CONSUMER EDUCATION AND OUTREACH	\$3,916,728	9.0
PARTNERSHIPS AND MARKETPLACE OPERATIONS	\$10,195,684	36.0
HEALTH COVERAGE AND INNOVATION	\$5,602,672	33.65
BASIC HEALTH PLAN/HEALTHY DC PLAN	\$3,229,849	12.6
IT (DCHealthLink.com)	\$16,338,767	39.5
AGENCY FINANCIAL OPERATIONS	\$839,814	3.0
TOTAL BUDGET	\$47,440,511*	157.0**

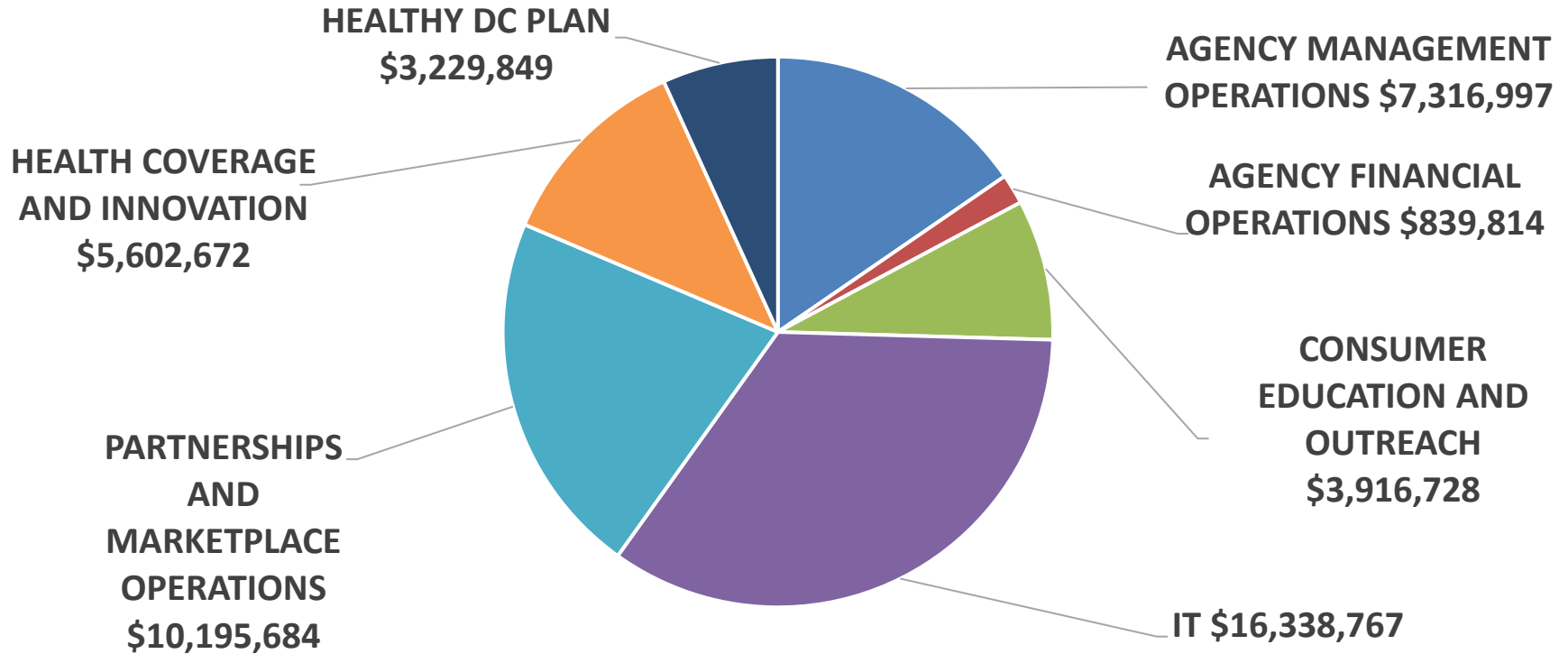
*FY27 BUDGET FOR ASSESSMENT: \$43,430,875

**8 FTEs funded by MA Health Connector. Increased FTEs for BHP and compliance with federal law changes.



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STAFF-PROPOSED FY27 BUDGET BY PROGRAM



FY27 BUDGET FOR ASSESSMENT: \$43,430,875



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CONTACT CENTER

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: \$4,925,184*

(FY26 NPS BUDGET: \$5,139,504)

- CONTACT CENTER SERVICE CONTRACT: \$4,303,350 (FY26 \$4,581,200)
- SALESFORCE LICENSES: \$243,072
- SALESFORCE DEVELOPMENT AND MAINTENANCE: \$128,250
- MICROSOFT OFFICE 365 LICENSES: \$11,500
- AMAZON CONNECT (TELEPHONY) & TOLL-FREE LINE: \$133,980
- ADMIN (COURIER SERVICE, EQUIPMENT, COMPUTER REFRESH, SUPPLIES): \$50,432
- LANGUAGE LINE: \$54,600

**Includes \$633,000 to be reimbursed by MA Health Connector*



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PLAN MANAGEMENT

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: \$1,095,000

(FY26 NPS BUDGET: \$870,000)

- ACTUARIAL SERVICES: \$175,000
- DOCTOR DIRECTORY, HEALTH PLAN ANONYMOUS SHOPPING (PLAN MATCH), PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN ANONYMOUS SHOPPING, HEALTHY DC PLAN HOSPITAL AND CLINIC DIRECTORY AND PHYSICIAN DIRECTORY, HEALTHY DC PLAN ANONYMOUS SHOPPING: \$920,000 (FY26 \$695,000)



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PERFORMANCE AND STRATEGIC MANAGEMENT

(TOTAL COST BELOW IS ALLOCATED: 70% PMO; 14% HCI; 16% BHP)

PROPOSED FY27 NPS BUDGET: \$167,050

(FY26 NPS BUDGET: \$177,500)

- BROKER TRAINING: \$15,000
- EMMA EMAIL TOOL: \$39,350
- DATA ANALYTICS & REPORTING: \$1,500
- ADMIN (POSTAGE, TRAINING, SUPPLIES AND EQUIPMENT): \$111,200



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PARTNERSHIPS AND MARKETPLACE OPERATIONS (PMO)

PROPOSED FY27 NPS BUDGET: \$5,370,741

(FY26 NPS BUDGET: \$6,177,708)

- CONTACT CENTER: \$3,637,506 (cost allocated share and MA partnership)
- PLAN MANAGEMENT: \$766,500 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$116,935 (cost allocated share only)
- S.H.O.P.: \$849,800 (detail on next slide)



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

PROPOSED FY27 NPS BUDGET: \$849,800

(FY26 NPS BUDGET: \$874,800)

- PREMIUM AGGREGATION: \$475,000*
- CONSULTING SERVICES: \$250,000
- MAILING AND POSTAGE: \$104,800**
- RETURNED MAIL SERVICE: \$20,000

**REFLECTS SAVINGS OF \$317,546 FROM MA HEALTH CONNECTOR PARTNERSHIP*

***INCLUDES \$45,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR*



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HEALTH COVERAGE AND INNOVATION (HCI)

PROPOSED FY27 NPS BUDGET: \$1,209,588

(FY26 NPS BUDGET: \$1,300,096)

- CONTACT CENTER: \$600,901 (cost allocated share only)
- PLAN MANAGEMENT: \$153,300 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$23,387 (cost allocated share only)
- ELIGIBILITY AND ENROLLMENT: \$432,000 (detail on next slide)



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HEALTH COVERAGE AND INNOVATION (HCI): ELIGIBILITY AND ENROLLMENT

PROPOSED FY27 NPS BUDGET: \$432,000

(FY26 NPS BUDGET: \$416,000)

- MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$15,000
- NOTICE PRINTING/MAILING: \$140,000
- AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000
- CONSULTING SERVICES: \$250,000



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HEALTHY DC PLAN

PROPOSED FY27 NPS BUDGET : \$1,525,604

(NEW: NO FY26 NPS BUDGET)

- CONTACT CENTER: \$686,776 (cost allocated share only)
- PLAN MANAGEMENT: \$175,200 (cost allocated share only)
- PERFORMANCE AND STRATEGIC MANAGEMENT: \$26,728 (cost allocated share only)
- HEALTHY DC PLAN ELIGIBILITY AND ENROLLMENT: \$636,900 (detail on next slide)



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HEALTHY DC PLAN: ELIGIBILITY AND ENROLLMENT

PROPOSED FY27 NPS BUDGET : \$636,900

(NEW: NO FY26 NPS BUDGET)

- MOA WITH OAH FOR ELIGIBILITY APPEALS: \$10,000
- DISB MOU: \$115,104
- ENROLLMENT (834 FILES) AND PAYMENT (820 FILES) TRANSACTIONS WITH CARRIERS: \$156,900
- NOTICE PRINTING/MAILING: \$75,000
- TRANSLATION: \$20,000
- RETURNED MAIL SERVICE: \$125,000
- CONSULTING SERVICES: \$134,896



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CONSUMER EDUCATION AND OUTREACH

PROPOSED FY27 NPS BUDGET: \$2,264,849

(FY26 NPS BUDGET: \$2,264,849)

- OUTREACH & ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ ASSISTERS: \$1,050,000
- OUTREACH & MARKETING: \$1,092,050
- HEALTH INSURANCE LITERACY: \$90,000
- DATA RESOURCES: \$25,000
- ADMIN (OFFICE SUPPLIES, COMPUTER REGRESH): \$7,799



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IT (DCHealthLink.com)

PROPOSED FY27 NPS BUDGET: \$9,330,027

(FY26 NPS BUDGET: \$8,612,310)

- IT CONSULTANTS: \$5,958,755
- SOFTWARE: \$2,479,984 (FY26: \$2,005,300)
- EXTRA CARE: \$535,500
- MICROSOFT OFFICE 365 LICENSES: \$65,000
- OCTO: \$211,788 (FY26: \$148,432)
- ADMIN (OFFICE SUPPLIES, TRAINING, PROFESSIONAL SERVICE, COMPUTER REFRESH): \$79,000



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AGENCY MANAGEMENT PROGRAM (AMP)

PROPOSED FY27 NPS BUDGET: \$2,127,208

(FY26 NPS BUDGET: \$2,242,139)

- FIXED COST (INCLUDES RENT & TELEPHONE): \$1,658,007
- MOA WITH DCHR FOR HR SUPPORT SERVICES & SUITABILITY: \$95,000
- MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000
- MOA WITH CONTRACT APPEALS BOARD: \$2,000
- MOA WITH DSLBD: \$672
- LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$41,650
- EMPLOYEE TRAINING (INCLUDING SOCIAL JUSTICE TRAINING): \$77,000
- MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$35,000
- CONSULTING SERVICES: \$20,000
- ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$147,879



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AGENCY FINANCIAL OPERATIONS (AFO)

PROPOSED FY27 NPS BUDGET: \$162,533

(FY26 NPS BUDGET: \$163,033)

- AUDITING SERVICES (INCLUDING ANNUAL COMPREHENSIVE FINANCIAL REPORT AND SMART AUDIT): \$150,000
- EMPLOYEE TRAINING AND TRAVEL: \$7,000
- ADMIN (COMPUTER REFRESH, SUPPLIES): \$5,533



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DC Health Link: ACA State-Based Online Health Insurance Marketplace – a Record of Success

- HBX is 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
- Formed a **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)
- Within two weeks of approved funding, issued Mayor Bowser’s \$12 million COVID relief for residents and employers helping them stay insured during the pandemic
- Designed and quickly implemented HealthCare4ChildCare health insurance program for early child-development facilities and workers that is now a national model



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2025 DC Health Link Successful ACA State-Based Marketplace

- **Cover nearly 100,000 people** (private health insurance)
- **Cover 5,300+** District small businesses and non-profits
- **Have 900+** DC Health Link brokers providing free help to customers
- **Responsible for \$670+ million** in annual premiums
- **2025: Implementing Healthy DC Plan**



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HBX Awards

- ✓ **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 State-Based Marketplaces and Federal Exchange 2018 and 2017)**
- ✓ **Five PR News Awards in 2019 and 2018**
- ✓ **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)



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METROPOLITAN WASHINGTON

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