



**DC Health Benefit Exchange Authority
Mila Kofman, Executive Director
HBX Proposed Budget FY20**

**Budget Oversight Hearing
DC Council Committee on Health
Chairperson Councilmember Gray
April 23, 2019**



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 \$31,768,832 with a \$29,614,404 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	\$10,492,332	\$325,229	3.20%
CONSUMER EDUCATION AND OUTREACH	\$2,979,574	\$2,983,333	\$3,759	0.13%
IT (DCHealthLink.com)	\$11,675,858	\$11,898,189	\$222,331	1.90%
AGENCY MANAGEMENT PROGRAM	\$5,616,754	\$5,660,719	\$43,965	0.78%
AGENCY FINANCIAL OPERATIONS	\$704,308	\$734,258	\$29,950	4.25%
TOTAL BUDGET	\$31,143,597	\$31,768,832*	\$625,235	2.01%

No change in number of total FTEs: 101 FTEs in FY19 and FY20

***FY20 BUDGET FOR ASSESSMENT: \$29,614,404**

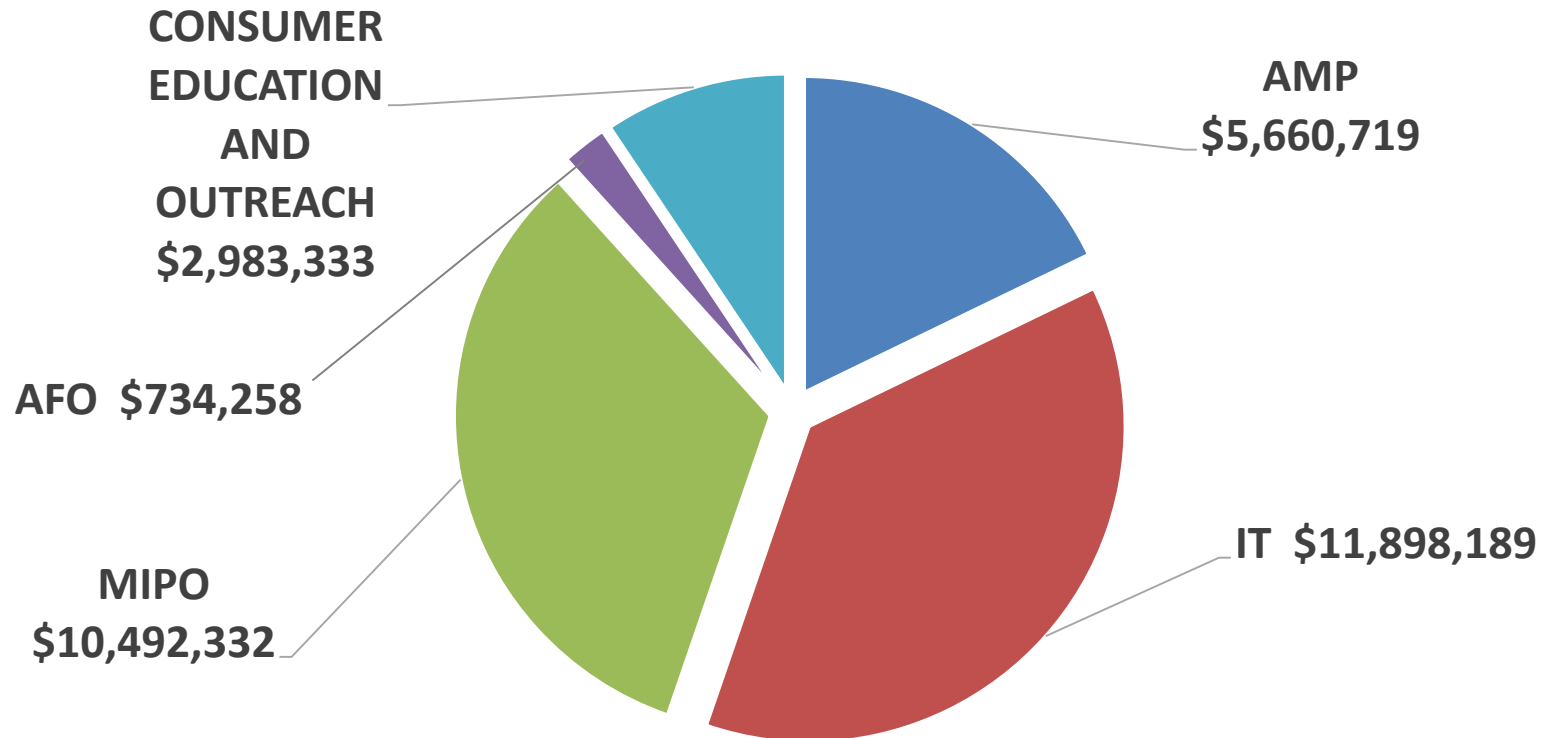


BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY20 Proposed Budget	31,768,832
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	\$29,614,404



PROPOSED FY20 BUDGET BY PROGRAM





MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

PROPOSED FY20 BUDGET = \$10,492,332

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

- FY20 PERSONNEL SERVICES BUDGET FOR 46 FTEs (including Overtime) = \$5,563,447
- NON-PERSONNEL SERVICES = \$4,928,885



MIPO BUDGET BY FUNCTION AREAS

- CONTACT CENTER: \$2,319,455
- ELIGIBILITY AND ENROLLMENT: \$2,038,584
- PLAN MANAGEMENT: \$2,780,076
- S.H.O.P.: \$2,479,471
- DATA AND REPORTING: \$165,209
- MIPO PERFORMANCE MANGEMENT (SOFTWARE, SUPPLIES, RENT, OVERTIME, BROKER AND EMPLOYEE TRAINING): \$709,537



MIPO: CONTACT CENTER

(ASSUMES 74/26 COST ALLOCATION W/MEDICAID)

CONTACT CENTER FY20 BUDGET = \$2,319,455

- CONTACT CENTER SERVICE CONTRACT: \$1,300,000
- CALL CENTER SALESFORCE LICENSES: \$75,000
- ADMIN: \$10,686
- RENT: \$830,744 (L'ENFANT PLAZA)*
- LANGUAGE LINE: \$103,025*

*FULL COST BILLED TO HBX. REIMBURSED THROUGH COST ALLOCATION AGREEMENT WITH DHCF



MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)

PROPOSED FY20 BUDGET = \$2,038,584

- **PERSONNEL SERVICES BUDGET = \$1,292,084**
 - 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

S.H.O.P 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: \$709,537**
 - **PERSONNEL SERVICES: \$505,147**
 - **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: \$10,000



IT (DCHealthLink.com)

IT PROPOSED FY20 BUDGET = \$11,898,189 (FY19 BUDGET = \$11,675,858)

- **PERSONNEL SERVICES FOR 29 FTEs = \$4,029,285 (CONVERSION OF IT CONSULTANTS TO FTEs)**
- **NON-PERSONNEL SERVICES BUDGET = \$7,868,904**
 - **IT CONSULTANTS: \$5,954,240**
 - **SOFTWARE COSTS: \$664,025**
 - **SALESFORCE LICENSE: \$210,000**
 - **OCTO IT ASSESSMENT: \$110,000**
 - **ADMIN COSTS: \$54,280**
 - **FIXED COST (RENT & SUPPLEMENTAL HVAC): \$876,359**



AGENCY MANAGEMENT PROGRAM (AMP)

AMP PROPOSED FY20 BUDGET = \$5,660,719 (FY19 BUDGET = \$5,616,754)

- PERSONNEL SERVICES FOR 18 FTEs = \$3,343,632
- NON-PERSONNEL SERVICES BUDGET = \$2,317,087
 - FIXED COST: \$1,717,087 (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC)
 - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$100,250
 - 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
 - COMPUTER REFRESH: \$87,750
 - ADMIN COSTS: \$140,500 (TRAVEL, OFFICE SUPPLIES, ETC.)



AGENCY FINANCIAL OPERATIONS (AFO)

AFO PROPOSED FY20 BUDGET = \$734,258 (FY19 BUDGET = \$704,308)

- PERSONNEL SERVICES FOR 3 FTEs = \$574,258
- NON-PERSONNEL SERVICES = \$160,000
 - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
 - ADMIN: \$10,000



HIGHLIGHTS OF CHANGES

FY20 Budget = \$31,768,832 (2.01% increase from FY19)

- \$438,180 increase rent (note: reimbursed by 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



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

NOTE: additional benefits include more than \$1m in IT development paid by MA (in other words, HBX did not need to budget to pay for this development work paid for by MA and deployed for both MA and HBX); since partnership started, CBEs received approximately \$7.1m for MA development and operations



ACA is Working in DC

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

DC Health Link private health insurance enrollment (currently covered): 79,000+ people (SHOP); 16,225+ residents (individual health insurance marketplace); 4,880 residents with individual dental insurance

- 5,000+ District small businesses covered
- 800+ brokers

Health plans that fit all budgets:

- 152 health plans (3 United Health Companies; 2 Aetna; Kaiser Permanente, and CareFirst) – SHOP
- 25 health plans (Kaiser and CareFirst) – individual



HBX Recent Awards and Recognition

- ✓ **4 PR News Awards in 2018**
- ✓ **2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
 - for shared services with the Massachusetts Health Connector for Business & open source code in the cloud with agile development
- ✓ **2018 and 2017 Ranked #1 for consumer shopping tools** (ranking of SBMs and FFM)
- ✓ **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)



Reminder: **new** opportunity to sign up for health insurance in 2019

- HBX Executive Board, based on Standing Advisory Board recommendation, adopted a Special Enrollment Period (SEP) for residents who learn about DC's individual responsibility requirement when they file their taxes
- Residents have 60 days from when they file their taxes to enroll
- To enroll call DC Health Link call center: **855-532-5465**



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