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# DC Health Benefit Exchange Authority

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**HBX Proposed Budget FY23**

**Budget Oversight Hearing**

**DC Council Committee on Health**

**Chairperson Councilmember Gray**

**March 21, 2022**



## DC Health Link: Affordable Care Act State-Based Online Health Insurance Marketplace

- **Private-public partnership** (private Executive Board)
- Last state to start IT build, **1 of 4 state marketplaces opened for business on time** (& stayed open) Oct 1, 2013
- **Small group & individual market through DC Health Link:**
  - 100,000 covered lives with private health insurance: 80,000+ people in SHOP (5,300 District small businesses; 11,000 Congress -- Members and designated staff in district offices and on the Hill); 15,000 - 20,000 residents (individual market paid covered lives)
- **Responsible for over \$620 million** in annual 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 HEALTH INSURANCE OPTIONS THROUGH DC HEALTH LINK

### Plans:

- **157** Small Group Plans
  - **36** plans with lower premiums than in 2021
- **27** Individual Plans (includes 2 catastrophic)
  - **6** plans with lower premiums than in 2021

*HBX: Advocate for lowest possible premiums for all customers*

### Insurers:

- 3 UnitedHealthcare Companies (group only);
- 2 Aetna Companies (group only);
- CareFirst Blue Cross Blue Shield; and
- Kaiser Permanente.



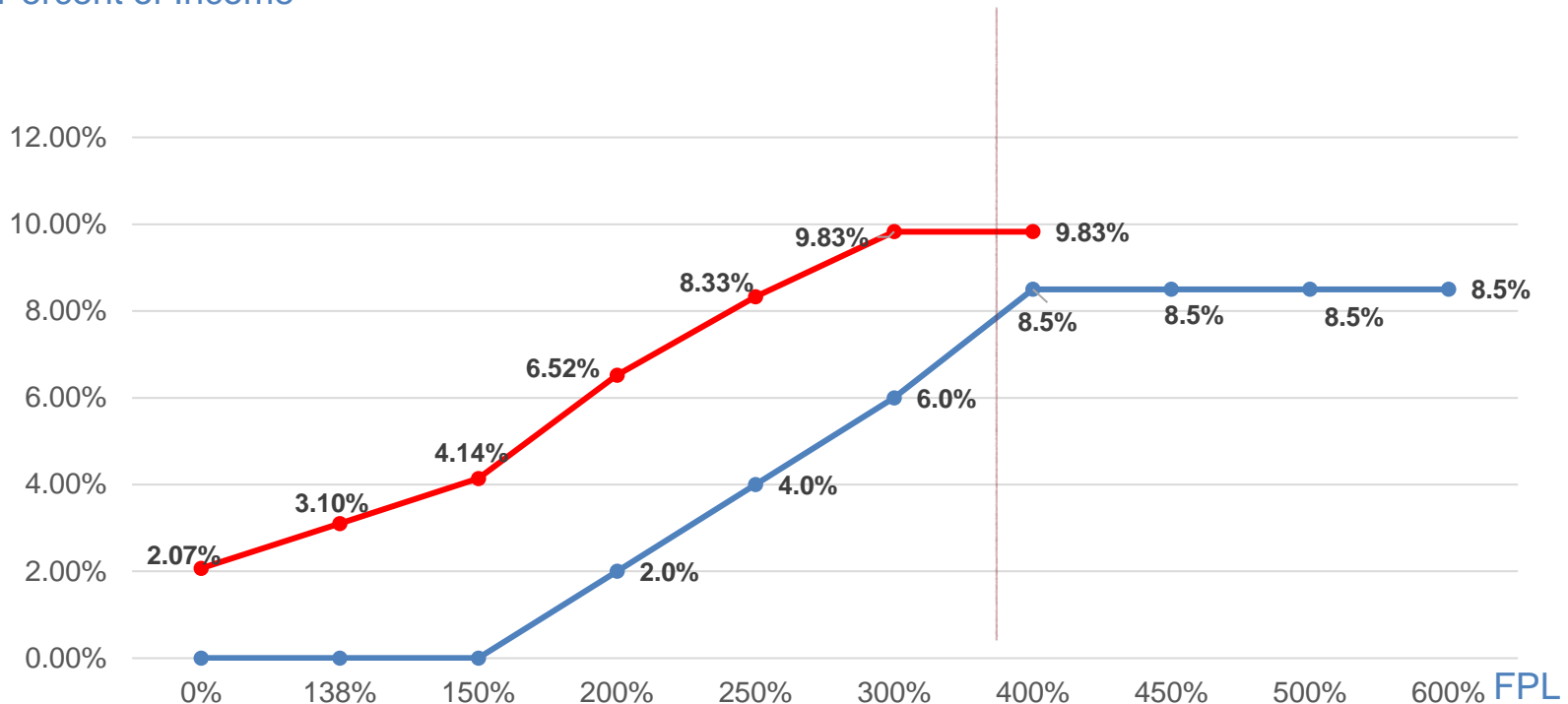
## State-Based Marketplace Advantage

- ✓ **Standard Plans: No deductibles** for primary care, specialists, mental and behavioral health, urgent care and generic Rx.
  - Design: copays (not coinsurance) for easier comparison; 2022 insulin and diabetic supplies covered at no cost to patient
- ✓ **All plans** cover diagnosis, testing & treatment for COVID-19.
- ✓ **More residents qualify for lower monthly premiums** because of new federal law, American Rescue Plan.
  - Of the 20,000 residents with individual coverage, 16% qualify for lower premiums (APTC)
  - **Premiums as low as \$11/month**



## American Rescue Plan (ARP) Lowered Health Insurance Premiums

Percent of Income



ACA (red line) caps premiums for people with incomes up to 400% of federal poverty level. The ARP (blue line) caps premiums for people at **all** income levels.



## American Rescue Plan (ARP)

- ✓ **Quickly updated DCHealthLink.com for all new benefits (March 29, 2021) for new and existing customers:** Two weeks after legislation was signed by President Biden, launched all new benefits on DCHealthLink.com.
- ✓ **ARP lowered health insurance premiums through 2022.**
- ✓ **Approximately \$36 MILLION per year in lower premiums** for District residents with individual marketplace coverage through DC Health Link.
- ✓ **Premiums as low as \$11/month** for quality health through DC Health Link.
- ✓ **Uninsured?** Get covered now at [DCHealthLink.com](https://DCHealthLink.com)



## American Rescue Plan (ARP) Lower Premiums End December 2022

**Lower premiums under ARP end on December 31, 2022.** If Congress does not extend APTC expansion, millions of Americans will become uninsured and millions will lose low monthly premiums.

- DC residents currently getting lower premiums will pay 48% more on average (plus annual premium increases if premiums rise); and
- More than 1,600 DC residents will lose their individual marketplace health insurance.

### **If Congress makes APTC expansion permanent:**

- 4.1 million people will become newly insured;
- an additional 8.3 million people will get lower monthly premiums nationally;
- premiums will decrease by 10% due to a younger risk pool. (Source Oliver Wyman Aug 2021 Analysis)



## Emergency COVID-19 Relief for Employers & Residents with DC Health Link Health Insurance in Arrears

- ✓ **Using funds the ARP provided to DC**, Mayor Bowser established a \$15 million Emergency COVID Relief fund through HBX to help District employers and residents stay insured. This paid for DC Health Link health insurance premiums that were overdue (in arrears).
- ✓ **Councilmember Gray prioritized this** Supplemental FY21 Budget request and DC Council approved the funding in June 2021.
- ✓ **Health Plans wrote-off an additional estimated \$1.4 million** for DC Health Link customers in arrears who did not qualify for COVID relief arrears program.
- ✓ **Emergency relief program had significant impact:** approx. 500 District employers covering 5,000 people with small group coverage and 1,800 residents with individual health insurance were able to stay insured during the pandemic and have a fresh start with premiums.
- ✓ **Continuing to help employers with economic recovery**, Mayor Bowser included an additional \$3.75 million in the FY2022 Revised Budget Act. If Council approves, this will total nearly \$19 million for FY21 and FY22 -- providing relief, keeping employers and their workers insured, and helping District employers to recover from COVID's devastating economic impact.





## HBX PROPOSED BUDGET FY23

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board (November 2021).
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs and reduce operational costs through partnership with the Massachusetts Health Connector.
  - **\$1,257,000 savings with MA partnership**
- FY23 PROPOSED BUDGET **\$35,684,055** with a **\$34,327,055** PROPOSED BUDGET FOR ASSESSMENT.
  - Increase from FY22 reflects call center cost allocation changes
- **Funded through an assessment on health carriers (0.90%).**



## ANNUAL ASSESSMENT ON HEALTH CARRIERS

- Projected assessment collection at 0.90% assessment rate for FY23 is \$34,608,151

To fund (FY)	Assessment Rate
<b>FY23</b>	<b>0.900%</b>
<b>FY22</b>	<b>0.825%</b>
<b>FY19, FY20, FY21</b>	<b>0.900%</b>
<b>FY15, FY16, FY17, FY18</b>	<b>1.000%</b>



## BUDGET COMPARISON: FY22 & FY23

	FY22 APPROVED BUDGET	FY23 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$11,728,423	\$13,325,626	\$1,597,203	13.62%
CONSUMER EDUCATION AND OUTREACH	\$2,995,798	\$3,231,707	\$235,908	7.87%
IT (DCHealthLink.com)	\$11,534,130	\$12,346,018	\$811,888	7.04%
AGENCY MANAGEMENT PROGRAM	\$5,810,791	\$5,974,210	\$163,419	2.81%
AGENCY FINANCIAL OPERATIONS	\$772,837	\$806,495	\$33,658	4.36%
<b>TOTAL BUDGET</b>	<b>\$32,841,979</b>	<b>\$35,684,055*</b>	<b>\$2,842,077</b>	<b>8.65%</b>

\*FY23 BUDGET FOR ASSESSMENT: \$34,327,055



## BUDGET RECONCILIATION TO ASSESSMENT BUDGET

<b>FY23 Proposed Budget</b>	<b>\$35,684,055</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)
FY23 Investment and Interest Earnings	(100,000)
<b>Net FY23 Budget for Assessment Calculation</b>	<b>\$34,327,055</b>



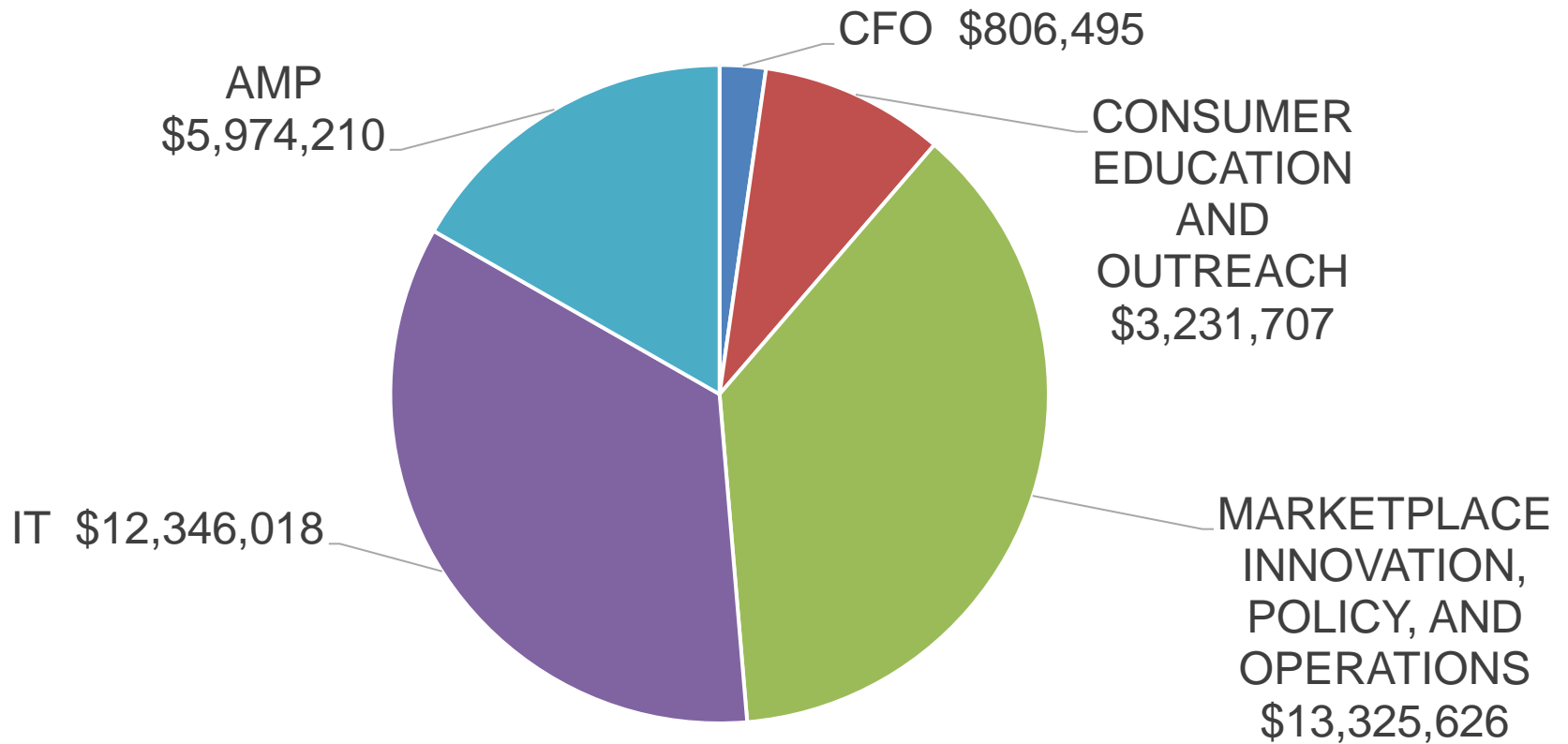
## FY23 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

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
<b>Total</b>	<b>\$1,574,544</b>

\* SAVINGS ALREADY REFLECTED IN FY23 PROPOSED BUDGET



## PROPOSED FY23 BUDGET BY AREA



**FY23 BUDGET FOR ASSESSMENT: \$34,327,055**



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

**PROPOSED FY23 BUDGET: \$13,325,626 (FY22  
BUDGET \$11,728,423)**

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



## **MIPO: CONTACT CENTER**

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

- CONTACT CENTER SERVICE CONTRACT: \$3,871,341
- SALESFORCE LICENSES: \$164,782
- SALESFORCE DEVELOPMENT AND MAINTENANCE: \$74,880
- MICROSOFT 365 LICENSES: \$15,000
- ADMIN (courier service, equipment, computer refresh): \$31,700
- LANGUAGE LINE: \$62,400





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

### **ELIGIBILITY AND ENROLLMENT PROPOSED NPS FY23**

**BUDGET: \$467,000 (FY22 \$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 \$845,000)**

- ACTUARIAL SERVICES: \$175,000
- PLAN MATCH (ANONYMOUS SHOPPING); DOCTOR DIRECTORY, HEALTH PLAN MATCH, PRESCRIPTION DRUG FORMULARY LOOKUP TOOL, DENTAL PLAN MATCH: \$660,000



## **MIPO: SMALL BUSINESS MARKETPLACE**

**PROPOSED NPS FY23 BUDGET: \$899,822 (FY22 \$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 \$151,500)**

- COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU, POSTAGE AND SHREDDING; SURVEY TOOL: \$142,000
- EMMA EMAIL TOOL: \$35,000



## **CONSUMER EDUCATION AND OUTREACH**

### **CONSUMER EDUCATION AND OUTREACH PROPOSED FY23 BUDGET: \$3,231,707 (FY22 BUDGET \$2,995,799)**

- PERSONNEL SERVICES FOR 7 FTEs: \$1,017,657
- NON-PERSONNEL SERVICES: \$2,214,050
  - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,000,000
  - 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: \$12,346,018 (FY22 BUDGET \$11,534,130)**

- PERSONNEL SERVICES FOR 34 FTEs: \$5,246,120
- NON-PERSONNEL SERVICES BUDGET: \$7,099,898 (FY22 BUDGET \$6,678,361)
  - IT CONSULTANTS: \$5,525,549
  - SOFTWARE: \$1,401,980
  - MICROSOFT 365 LICENSES: \$35,000
  - OCTO: \$86,369
  - 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 FOR LICENCES: \$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 Annual Comprehensive Financial Report and SMART Audit): \$150,000
  - EMPLOYEE TRAINING AND TRAVEL: \$7,000
  - ADMIN (COMPUTER REFRESH, SUPPLIES): \$7,000





## HBX 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 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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