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DC Health Benefit Exchange Authority

Mila Kofman, J.D., Executive Director

HBX Proposed Budget FY24

Budget Oversight Hearing

DC Council Committee on Health

Chairperson Councilmember Henderson

March 30, 2023



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 \$670 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



2023 HEALTH INSURANCE OPTIONS THROUGH DC HEALTH LINK

Plans:

- **211** Small Group Plans
 - 5 plans with lower premiums than in 2022
- **27** Individual Plans (includes 2 catastrophic)
HBX: Advocate for lowest possible premiums for all customers

Insurers:

- 3 UnitedHealthcare Companies (group only);
- 2 Aetna Companies (group only);
- CareFirst BlueCross BlueShield; and
- Kaiser Permanente.



DC Health Link State-Based Marketplace Advantage

- ✓ **Standard Plans: No deductibles** for primary care, specialists, mental and behavioral health, urgent care and generic Rx.
- ✓ **Equity-Based Benefit Design:** Starting January 1, 2023 standard plans cover:
 - ✓ **Type 2 diabetes care** including insulin, lab work, eye and foot exams, and Rx and supplies without co-payments, co-insurance, and deductibles.
 - ✓ **Starting January 1, 2024 standard plans cover pediatric mental and behavioral health services** at reduced cost sharing.
 - ✓ \$5 for office visits, certain lab work and medication (e.g. reduced \$45 copay to \$5 copay)
- ✓ **More residents qualify for lower monthly premiums** because of Inflation Reduction Act.
 - Of the 20,000 residents with individual coverage, 16% qualify for lower premiums (APTC)
 - **Premiums as low as \$11/month**



DC Health Link State-Based Marketplace Advantage

- ✓ **HealthCare4ChildCare** through DC Health Link helps OSSE-licensed early child development facilities provide affordable health insurance for their employees. Free premiums and lower premiums started Jan.1, 2023 & are guaranteed for 2023.



HBX PROPOSED BUDGET FY24

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board (November 2022)
- 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 (lower contract costs and reimbursement)
- FY24 PROPOSED BUDGET **\$37,552,148**:
 - Funding from \$36,123,148 in health carrier assessments, \$1,329,000 from MA, and \$100,000 from investment income
- **Funded through an assessment on health carriers (projected assessment: 0.82%)**



ANNUAL ASSESSMENT ON HEALTH CARRIERS

Projected assessment for FY24 and historical actual assessment rates

To fund (FY)	Assessment Rate
FY24	0.820%
FY23	0.800%
FY22	0.825%
FY19, FY20, FY21	0.900%
FY15, FY16, FY17, FY18	1.000%



BUDGET COMPARISON: FY23 & FY24

	FY23 APPROVED BUDGET	FY24 PROPOSED BUDGET	\$ CHANGE	% CHANGE
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	\$829,048	\$22,552	2.80%
TOTAL BUDGET	\$35,684,055	\$37,552,148*	\$1,868,092	5.24%

*FY24 BUDGET FOR ASSESSMENT: \$36,123,148



BUDGET RECONCILIATION TO ASSESSMENT BUDGET

FY24 Proposed Budget	\$37,552,148
Less:	
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)
Net FY24 Budget for Assessment Calculation	\$36,123,148



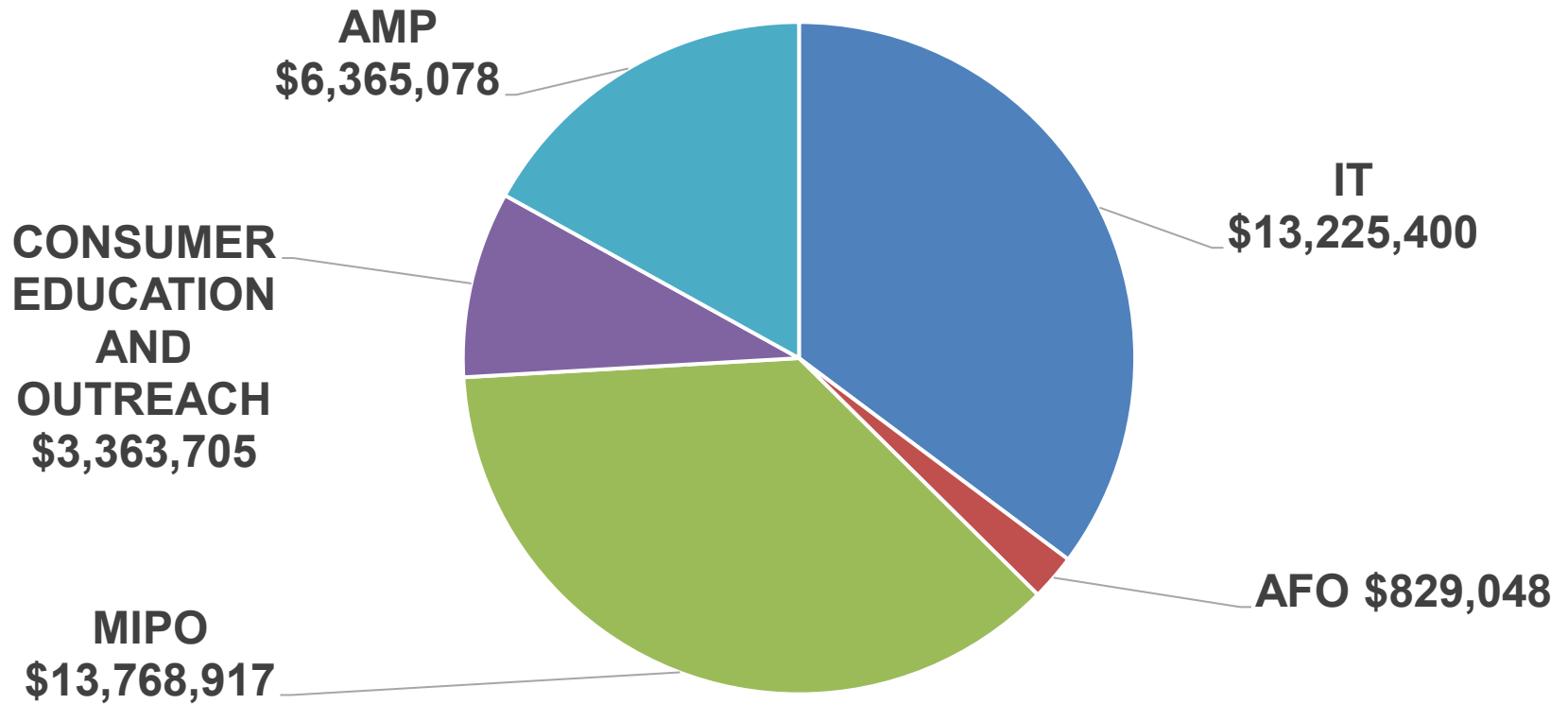
FY24 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP

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
Total	\$1,646,544

* SAVINGS ALREADY REFLECTED IN FY24 PROPOSED BUDGET



PROPOSED FY24 BUDGET BY PROGRAM



FY24 BUDGET FOR ASSESSMENT: \$36,123,148



MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)

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

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



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
- PHONE SYSTEM (TELEPHONY): \$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
- PLAN MATCH (ANONYMOUS SHOPPING), 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)**

- **COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU (broker training), POSTAGE AND SHREDDING; SURVEY TOOL: \$155,594**
- **EMMA EMAIL TOOL: \$35,000**



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
 - ENROLLMENT OUTREACH (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,050,000 (increased over FY23)
 - MARKETING OUTREACH: \$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: \$30,000
 - CONSULTING SERVICES: \$20,000
 - ADMIN (COMPUTER REFRESH, EQUIPMENT, TRAVEL, OFFICE SUPPLIES): \$130,130



AGENCY FINANCIAL OPERATIONS (AFO)

PROPOSED FY24 BUDGET: \$829,048
(FY23 BUDGET: \$806,495)

- PERSONNEL SERVICES FOR 3 FTEs: \$663,515
- 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



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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